

Friday May 8 1998

Algeria D 8.50	Greenland D 500	Qatar CR 1.00
Algeria L 2.50	Guinea Bissau D 25	Poland Z 2.50
Algeria L 2.50	Guinea Bissau L 25	Portugal E 250
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Decca Aitkenhead on:

Big business playing at being teacher

Comment, page 12

Blair's victim aid for Ulster

Unionist request met in hours

John Mullin and Ewen MacAskill

TONY Blair yesterday ordered a multi-million pound package to aid victims of the Northern Ireland troubles just hours after Ulster Unionists sceptical about the Good Friday agreement requested financial help for the bereaved and injured.

Downing Street was refusing to say how much it planned to provide. The move was welcomed by victims' groups, and the money is in addition to a £4.5 million package for injured RUC officers which Mr Blair announced when he visited Northern Ireland on Wednesday.

Mr Blair was said to have been astounded when the Unionist delegation told him that more money from the European Commission's Peace and Reconciliation Fund went to paramilitary prisoners for their rehabilitation on release than to victims of violence.

Almost £2 million has gone to convicted terrorists and their families and about £600,000 to victims' groups.

But Unionist opponents of the deal labelled the timing of the move cynical. One said: "It should have happened years ago. Coming now it smacks of buying support ahead of the referendum on May 22."

The Government is due next Wednesday to publish the report of Sir Kenneth Bloomfield, formerly head of the Civil Service, into ways of commemorating the deceased

and improving services for survivors. It is expected his suggestions will attract further funding.

Gordon Brown, the Chancellor, is also expected to announce an economic package for Northern Ireland next week. The Democratic Unionist Party, opposed to the deal, claimed six weeks ago that the Government would attempt to bribe voters into backing the deal.

Arlene Foster, the young Ulster Unionist who had raised the issue with Mr Blair, said: "I am gobsmacked it has happened so quickly. It is a response to what I said. It is excellent news and I will be very happy if it is money on top of funding for Bloomfield."

Others in the Ulster Unionist delegation welcomed the move. But they warned that it would not make them support the deal. Jeffrey Donaldson, MP for Lagan Valley, said: "At long last, the victims of terrorism are getting the recognition they deserve."

Support workers were delighted. Mary McNeice, of the victims' aid group Wave, said: "Even more than the financial help we will be getting, I think the acknowledgement that victims are important is certainly something else."

Mr Blair's official spokesman said the new money would be "a few million pounds". More than 3,250 people have been killed since 1969, and tens of thousands injured, so the amount per family could work out at just a few hundred pounds.

Most of the cash is expected to be earmarked for counselling services. Eilish O'Reilly,



Gerry Adams in Belfast yesterday, when he confirmed that Sinn Féin would be urging a Yes vote

PHOTOGRAPH: PAUL MCELANE

whose brother, Larry Brennan, aged 52, was murdered by the Ulster Defence Association four months ago, said she had received no help. Nor had her family.

Mr Blair's announcement came just after he met leaders of the Orange Order. It had advised its 80,000 members in Northern Ireland to vote down the agreement. Its worries are over proposed RUC reform, plans for an effective amnesty for paramilitary

prisoners, and the procedures for the decommissioning of terrorist weapons.

John McCrea, secretary of the Orange Order, said Mr Blair had told them at an "open and frank" meeting in Downing Street that the settlement could not be amended. He said: "We are, therefore, confirmed in our opinion that those matters which we find objectionable cannot be altered."

But David Trimble, leader

of the Ulster Unionists, launched his party's Yes campaign yesterday with a swinging attack on Unionist opponents of the deal. Among these are six of his own MPs. He said that opponents would consign Northern Ireland to another 30 years of history and he was fed up listening to cheap, misleading and negative campaigning.

Mr Trimble said: "A vote No is to go back to the Anglo-Irish agreement. This deal is

only the beginning, and it's a beginning we are not afraid to embark upon."

"I want to see an end to political cowardice in this country. We are sick of listening to the tired rhetoric of those who have failed the Unionist people in the past."

He indicated he would sit in the power-sharing executive with Gerry Adams, the Sinn Féin president, if he proved the IRA had ended violence for good.

CBS drawn into fake TV storm

Kamel Ahmed, Joanna Coles in New York, Michael Sean Gillard and Laurie Flynn

AMERICA'S flagship current affairs programme was facing serious embarrassment last night after it became embroiled in the Carlton TV fake documentary row.

The highly regarded 60 Minutes programme, which has up to 17 million viewers a week, showed extracts of the programme and interviewed the producer, Marc De Beaufort, last June.

During the interview, de Beaufort made claims that he later contradicted to the Guardian and Channel 4 News when questioned him about the veracity of the programme, The Connection.

He has yet to answer the five main allegations made against the programme by the Guardian, which revealed that the documentary had "stunted up" scenes of drug smuggling which were later shown as fact.

The Connection, which purported to reveal a new heroin route from Colombia to Britain, was described in America as "astounding" and received widespread coverage.

It was also shown by the cable firm, Home Box Office. Sources at CBS, the huge American television network which makes 60 Minutes, said it would consider legal action against the programme if an investigation by the Independent Television Commission in Britain backed the Guardian's allegations.

It will also tell viewers on air that it was deceived. "Any time any reputable news organisation gives its readers or viewers details that later turn out not to be true, they are obligated to tell the truth," said Don Hewitt, the executive producer of 60 Minutes and one of the most highly respected television journalists in America.

Jim Ledbetter, media critic for New York's Village Voice,

said: "This is a huge embarrassment, no question. 'Credibility is of the utmost importance. 60 Minutes cannot allow themselves to be duped.'"

During the interview with 60 Minutes presenter Steve Kroft, de Beaufort gave details of the events surrounding the journey of the "drugs mule" from Colombia to Britain.

The CBS version contradicts answers he gave to the Guardian and Channel 4 News. The programme itself also had a different version of events.

De Beaufort said that the mule, a man who was alleged to have swallowed packets of heroin, was filmed catching a flight from Bogota and had "sailed through" Customs at London's Heathrow airport.

But he told the Guardian last November that he had "no idea" what happened to the mule and told Channel 4 News this week that he had been told later by the researcher that the mule had got through. Carlton yesterday said that it was calling for full reports from the programme makers, senior executives and those responsible for making sure the programme complied with media industry regulations.

Nigel Walsley, Carlton's director for broadcasting, said that the company would be seeking independent advice about the internal investigation although a spokesman refused to comment on whether an independent person would be used to lead the inquiry.

"We take these matters very seriously because there is clear conflict between the programme makers who stand by their story and the allegations printed in the Guardian," he said. "We want to establish the facts and take any necessary actions."

He said that the findings of the investigation would be published.

The Fake Connection, page 5; Leader Comment, page 13

Screening plan for 'hidden' sex disease

Women at risk without knowing 'must be treated with partners'

Sarah Bossey Health correspondent

THE Government is planning a new national screening programme in a bid to stem the rise of a little-known sexually transmitted disease that is putting hundreds of thousands of women at risk of infertility. Chlamydia trachomatis is the most common sexually transmitted infection in the UK, but hardly anyone has heard of it and most of its victims do not know they have it. Yet it can cause pelvic inflammatory disease, which many years later result in sterility. Some women who do manage to conceive have an ectopic

pregnancy, which can be fatal.

Tessa Jowell, Minister for Public Health, said yesterday that the Government will launch two pilot projects in Portsmouth and the Wirral later this year as the first steps to national screening. The programme will be targeted at sexually active women under the age of 25, and any over that age who have more than one partner in a year.

"I am particularly keen that young women become aware of this infection so that they can protect their future fertility," Ms Jowell said.

Chlamydia is on the increase. In 1996, 32,000 new cases were diagnosed, a rise

of 11 per cent on the year before. But this is only the tip of the iceberg. Up to 70 per cent of infected women and 50 per cent of men do not know they have it because they have no obvious symptoms.

Screening programmes in the United States and in Sweden have been shown to work, said Dr Jeremy Metters, Deputy Chief Medical Officer, but it would not be possible or acceptable to test everybody. Instead, they need to target those most at risk and through them, reach their male partners who were thought less likely to co-operate with screening.

There should be routine tests for all those who attend a GUM (Genito-urinary medicine) clinic, he said, and for all those seeking termination of pregnancy.

The CMO's Expert Advisory Group, whose report was published yesterday, recommended that GPs could suggest a test to those thought at risk. Such a screening programme has become possible because a simple urine test has now been developed. A woman who tests positive can be given a short course of antibiotics to clear up the infection, but will be re-infected unless her partner is also treated.

The partner will be asked to attend a GUM clinic for his course of antibiotics. If he fails to turn up, either the clinic will try to trace him or the GP may be asked to call him in.

Dr Metters said the screening would concentrate on women because the effects of Chlamydia were more devastating for them and because they tended to be more compliant in health matters. "We thought an invitation to the

man wouldn't be too successful, but if the woman says I have been tested and found positive and I'm not having anything to do with you until you are, that is more likely to bring them in," he said.

Dr Connie Smith, a member of the Expert Advisory Group, said they faced "no less a task than the destigmatisation of the GUM services". The plans ran into immediate controversy. The Family Planning Association welcomed the Government's decision to take action, but deplored the absence of any campaign to make screening acceptable to the public.

"Whilst it is sensible to pilot test the screening schemes, it will take time to raise public awareness of Chlamydia so this work must begin now," said Anne Weyman, the FPA's chief executive.

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Sketch

Tebbit gets a bone to pick



Simon Hoggart

"WILL the minister reassure me," asked Lord Tebbit, "that I committed no offence, nor did my dog, when we shared a T-bone steak recently?"

The lordships gasped, always a risky thing to do at that age. He had conjured up a powerful image: the steak in the bowl, Lord Tebbit on his hands and knees, fighting his doberman, Thatcher, for the dripping red slab.

I feel sure his lordship was victorious over the wretched cur, and dragged the raw meat over to a corner where he chewed it angrily, lifting his head only to snarl at approaching passers-by.

The beef on the bone controversy certainly brings out the worst in the peers. Lord Stanley of Alderney started it all with a *faux naïf* question, inquiring whether, if a butcher sold beef bones for canine consumption, and a human being wound up eating them, an offence would have occurred, and if so, who would have committed it?

Now the fact is that the beef and bone regulations are entirely pointless (perhaps one person will die in every few generations from infected beef bones, yet cigarettes which kill tens of thousands every year — can be blazoned, with the Government's blessing, across Formula One racing cars). The rules are also impossible to understand.

So Lord Donaghue, speaking for the Government, had an impossible job, which he duly flunked. He tried to explain that if food was prepared, using bones, and then sold or supplied in the course of business, the offence would have been committed by the supplier to the ultimate consumer, whoever that might be. Your mum, perhaps.

Got all that? As the lawyers say: "It is, m'lud, a case of his."

collare si cogito, meaning "fucked if I know". (I am aware that this is not strictly accurate, but like Lord Tebbit's pet, I speak dog Latin.)

Lord Stanley said that the orders were "astute and nannyish". They should be re-drafted to allow everyone the right to choose. Lord Donaghue, who was speaking very softly, as if hoping that no one would hear him, said that the orders would be lifted when it was the proper time to do so, which left few of us any the wiser.

The Countess of Mar pointed out that the regulations were even dumber than we thought. You couldn't give your dog a T-bone steak because the ban applied to humans "and things". But you could give your dog the actual bone, because those rules applied only to people.

Lord Donaghue seized the meat between his teeth. The T-bone steak could be supplied if the beef had been properly removed from the bone. "If it has been removed, the bone, under particular circumstances, can be supplied to a pet."

Our heads were beginning to spin gently. Then Lord Tebbit revealed the surprising news about his shared dinner. (Does his dog join him for every meal? "These quails' eggs are particularly tasty," Thatcher old chum. And I always think the Puligny-Montrachet '95 is better than they say.")

"While it is illegal," he continued, "for a butcher to sell oxtail for the making of soup, it is not illegal to sell soup which has been made from ox tails, provided that the soup has been made by a commercial manufacturer."

"So, is a restaurant selling oxtail soup engaged in commercial manufacture?"

Lord Donaghue's voice sank to a miserable mutter. "The regulations are quite clear on this," he said, and what remained of his voice was drowned out by the unusual sound of their lordships laughing their heads off.

They seem very concerned about beef on the bone, which is kind of them, since I doubt that more than a handful would dare risk their teeth by sinking them into a T-bone steak. Perhaps Lord Tebbit just gets his dog to pre-chew his.



Writer Hanif Kureishi, who is accused by his sister of 'selling his family down the line'

PHOTOGRAPH: JANE BOWN

Relations cool as Kureishi sister claims family history rewritten

Stuart Millar reports on the blurring of biography and fiction

NOVELIST Hanif Kureishi yesterday found himself embroiled in a bitter public dispute with his family over comments he made in an interview with the Guardian.

The creator of *The Buddha of Suburbia* and *My Beautiful Laundrette* was accused by his younger sister Yasmin of "selling his family down the line" for personal gain.

In a scathing letter published in yesterday's Guardian, Ms Kureishi took her brother to task over an interview in last Saturday's Weekend magazine in which he talked about his upbringing in a two-up, two-down in Bromley, Kent.

"Does being famous mean you can devalue those around you and rewrite history for even more personal gain?" Ms Kureishi wrote.

Associates say the fact that she made her criticism in public underlines the depth of anger in the family over the blurring of biography and fiction in her brother's work.

The most biting criticism centres on claims that her father had been proud when her brother, by then a renowned screen writer, published his first novel, *The Buddha of Suburbia*.

The book, set in the suburbs, explores an adolescent boy's fantasies of freedom. The father figure it depicts runs off with a woman.

Mr Kureishi told the Guardian: "My father was delighted. He always said to me that film was not a form for a real writer."

But his sister wrote: "My father was angry when The Buddha of Suburbia came out as he felt that Hanif had robbed him of his dignity, and he didn't speak to Hanif for about a year."

He also spoke about his mother's "little job" in a shoe factory. His maternal grandfather is referred to as "cloth cap working class".

In her letter, Ms Kureishi challenged these claims. "We lived in a pleasant semi down a quiet cul-de-sac in Bromley. My grandfather was not a 'cloth cap working class' person. He owned three shops locally."

She said their mother never worked in a shoe factory. She also dismissed her brother's description of their father as a "bitter" man at the time of his death five years ago as "grossly and cruelly exaggerated".

Ms Kureishi said: "We have witnessed a wide, a very wide convergence of views on what shape the Europe of tomorrow must take. On all the topics discussed during the talks, including transatlantic relations, Bosnia and the Middle East, our opinions are extremely close, not to say identical."

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But Mr Duisenberg's vow of strict economic orthodoxy and promise to keep inflation between zero and 2 per cent was exactly what Chancellor Kohl wanted to hear from Brussels. Supporters of greater European integration were also cheered by Mr Duisenberg's insistence that a single market and single currency logically led to a single tax regime for Europe.

"In a market of 300 million people with totally free movement of goods and services, labour and capital, the varying tax systems will have to converge further. Functionally, they will have to converge to such an extent that different tax systems in themselves will no longer be a factor in the movement of capital and people," he said.

This has striking implications for a relatively low-tax country such as Britain, where convergence with a Europe-wide tax system could undermine advantages in luring new businesses and foreign investment.

Mr Duisenberg's three-hour grilling by the European Parliament's economic and monetary committee was a feisty and often jocular affair which left in tatters President Chirac's plan to ensure that a Frenchman would run the bank by the time the new euro coins and currency go into circulation early in 2002.

The Dutchman's proposal for a 16-year gap before the publication of the minutes of European central bank board

Euro bank chief defies Chirac with plan to stay

Martin Walker in Brussels and John Hoxley in Avignon

A REVOLT by the man named as Europe's first central banker yesterday unstitched the laborious compromise sewn up at the European summit last weekend, as Dutch nominee Wim Duisenberg told the European Parliament he would not stand down after four years as heads of government had agreed.

Mr Duisenberg, aged 62, dismissed as "slightly absurd" an attempt by the French President, Jacques Chirac, to fix now the appointment of Mr Duisenberg's French successor.

"Given good health, then yes, I could stay a full eight years" said the former Dutch finance minister and central banker to cheers from MEPs. "I assure you that the events of last weekend will have no effect whatsoever on my policy decisions."

"I said I would serve at least until the end of the transition period, in July 2002. And I don't know how long beyond then I will serve. I do not intend to set a date."

Mr Duisenberg's defiant reinterpretation of the summit deal challenged Mr Chirac just as he was yesterday trying to smooth over his bitter summit row with Chancellor Helmut Kohl of Germany as the pair met for Franco-German talks in Avignon.

"The last thing we want just now is another euro row," said one French official as word of Mr Duisenberg's defiance reached Avignon, where it was not allowed to darken the sunny mood.

"Sometimes there are divergencies," Mr Kohl, a Duisenberg supporter, admitted. "But I want to stress that Franco-German relations are not just intact, they are excellent."

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Review

Moral rage and romantic yearning

Michael Billington

Cleansed
Royal Court Downstairs

HOW does one write about Sarah Kane? Everyone, including me, so over-reacted to her first play, *Blasted*, that it becomes difficult to judge her with cool clarity. But my initial reaction to her new play is that it displays far greater aesthetic control while remaining mysteriously cryptic.

Kane's theme here is the ability of love to survive fascistic, institutionalised cruelty. She presents us with a rural rehab centre where the apparent aim is to cure any form of social deviation. Graham, a heroin addict, is incarcerated and ritually purified. His sister, Grace, is punished for her incestuous passion by undergoing a sex change in which she finally becomes her brother.

The gay Carl experiences an even more extreme fate in that tongue, hands and feet are serially removed and his body gnawed by rats. Supervising this grisly cycle of crime and punishment is the Torquemada-like figure of Tinker, a pseudo-doctor who is in total thrall to a peep-show erotic dancer.

Two parallel works come to mind: Orwell's *Nineteen Eighty-Four* and Pinter's *The Hothouse*. Like both those writers, Kane suggests the price of dissent is physical torture and that society has a vested interest in eradicating nonconformity. But invocation of those works also betrays Kane's main weakness. Where Orwell's Ministry of

Love and Pinter's psychiatric institution are clearly instruments of the state, you never leave who or what lies behind Kane's hermetic chamber of horrors. If it is meant as a political metaphor, it remains an extremely shadowy one.

But it is a measure of Kane's progress as a dramatist that her play seems much more than a catalogue of cruelty. She even goes so far as to suggest that the human spirit is indestructible and that love is a possibility.

As a political play, *Cleansed* lacks circumstantial detail in that we never get to know the source of Tinker's authority. But it shows Kane, as a dramatist, is on a learning curve and capable of a lyricism still yearning to find proper expression.

She is excellently served by James McDonald's prose, which is as stylised, in its presentation of violence, as Peter Brook's *Titus Andronicus*. It is also astonishingly designed by Jeremy Herbert, who makes Expressionist use of tilted planes and who even, at one point, places the beaten Grace on a vertical wall as if she were a suffering medieval saint.

Susan Sylvester as the amazing Grace, Martin Marquez as her addictive brother and Stuart McGuire as the barbarous Tinker, himself pining for love, all perform with total dedication. And, even if the play itself leaves too many questions unanswered, it shows Kane is a fast-developing writer with a moral rage is accompanied by a romantic yearning of which she seems slightly frightened.

This review appeared in some editions yesterday.

Woman aims to become first from Britain to row Atlantic

John Duncan

WHILE most of the world wakes up with a huge hangover after the celebrations of New Year's Eve 1998, Elizabeth Hoff will be pushing the boat out herself, a 20ft rowing boat to be precise, as she sets out to become the first British woman to row 3,000 miles solo across the Atlantic.

Only 10 people have completed the crossing solo, five in each direction, and the record is 98 days, set by Hugh King Fretts in 1984.

Ms Hoff, from Battersea, south London, is training for the trip on the Solent and intends to work part-time within the next six months to fit in extra training in Norway, where her parents are based.

Wars of words

Philip Roth His ex-wife's memoirs reveal that the American novelist showed her a manuscript containing a description of his studio and accounts of the numerous women who went there to have sex with him. He also mentions his "remarkably uninteresting middle-aged wife" who was "nothing better than an ever-spouting fountain of tears".

Paul and Alexander Theroux Paul, Anglophile travel writer and novelist, was attacked by his elder brother and fellow author as "small, surly and spiteful". His books were "beach reads".

D.H. Lawrence The depiction of the brutal father in *Sons and Lovers* was

regarded as a literal description of the relationship between Lawrence and his father, whom he despised.

Enid Blyton She was the subject of a dispute on the Guardian's letters

page when Penelope Smith, who claimed to be a family friend, denied Blyton was cruel to relatives. Imogen Smallwood, Blyton's younger daughter, claimed Ms Smith's memories owed more to imagination than experience.

Jon Snow The Channel 4 newsreader was accused by brother Tom in a letter to the Guardian of self-indulgence for publishing a memoir blaming his ill mother's cruelty for his inability to form close relationships.

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Dark days of isolation await Rainbow Nation



Louis Luyt, above, keeps an iron grip on an unchanged sport. The four black members of his board resigned yesterday; he rejected the majority's call to stand down



England come to grips with the Springboks during their last tour of South Africa in 1994. This year's tour is under threat of an international boycott

PHOTOGRAPH: DAVID ROGERS

South African rugby faces renewed boycott

Sport accused of racism and abuses

Alex Duval Smith and John Perinman in Johannesburg

SOUTH African rugby faces a return to international isolation after the governing body of the country's most-unreconstructed white sport yesterday failed to resolve a dispute centred on claims of continued racism and mismanagement.

At a meeting of the South African Rugby Football

Union (Sarf) executive, its four black members resigned and its president, Louis Luyt, hung to power despite a majority call for him to quit.

The crisis — which arose out of government moves to investigate Sarf's finances and apparent continued racial bias in the sport — could lead to a call today from South Africa's sports council for an international boycott. Ireland, Wales and England are all due to tour South Africa soon.

Minleki George, president of the National Sports Council, who will meet the government today, said: "We are still committed to isolation if needs be but we do not enjoy that. In the interests of rugby, in the interests of transformation, we are still sorting out our internal problems. We are tempted to say, stay away until we resolve them."

If the Springboks are confronted with an international boycott, this will reflect the extent to which the traditionally white-dominated sport has squandered any goodwill it gained at home and abroad after South Africa's return to international rugby and the symbolism of its 1995 World Cup victory.

But Sibusiso Nkomo, one of the four black executive mem-

bers who resigned yesterday, denied the split in South African rugby was race-related. "The votes that were taken did not reflect race. The blame for the crisis in rugby lay fairly and squarely with Mr Luyt."

Mr Luyt, who rules Sarf with an iron grip, was keen, however, to play up the racial split. "That is the way to appease their people," he said of the resignations, as he left the Sarf meeting at Ellis Park, Johannesburg, yesterday.

The crisis places the government in the shape of the sports minister, Steve Tshwete, in direct, racially charged conflict with the governing body of a sport which is virtually a religion to some in the Afrikaner minority. The International Rugby

Board said it was watching the situation closely. If the National Sports Council — backed by the Confederation of South African Trade Unions — goes ahead with its call for a boycott, any international teams playing in South Africa would face protests and possibly even violence, unseen since the darkest days of apartheid.

The crisis mushroomed out of a clash last October between the government and Sarf, after President Nelson Mandela ordered a commission to inquire into its financial affairs and into whether the body was being run in the best interests of all South Africans, "including those in the underprivileged areas".

Four years after the switch to majority rule and three

years after South Africa's victory in the world cup, its players, administrators and fans remain almost exclusively white. All but four of the 120 South African players in the multinational Super 12 — the southern hemisphere's premier provincial league — are white.

Last year, Mr Luyt strengthened his grip by quashing an internal rebellion led by a coloured (mixed race) rugby official, Brian van Rooyen. At around the same time, Andre Markgraaf, the national coach, was sacked after he called black rugby officials "kaffirs".

Mr Van Rooyen went to the government with allegations of racism, nepotism and financial mismanagement,

prompting President Mandela's call for an inquiry.

But Dr Luyt considers the process a vendetta and took the government to court, arguing that Sarf was a private body which received no government funding. President Mandela was called to give evidence in the Pretoria high court in February. Yesterday, amid signs of a climb-down clearly aimed at avoiding a boycott, Sarf apologised to Mr Mandela for bringing him to court.

Sarf's 11-member executive rejected the sports council's initial call for it to resign, but agreed "in principle" that Sarf be investigated by an independent commission, agreed with the government.

All parties wish to avoid a

boycott, not least because, were one to be taken up by the International Rugby Board, Sarf would face a financial crisis.

In addition to the Irish, Welsh and English tours, the annual Tri-Nations tournament sees Australia and New Zealand play the Springboks home and away.

If South Africa were forced to withdraw from that, Sarf would face bankruptcy because the \$370 million television contract agreed by the three major southern hemisphere unions with News Corporation in 1995 would be in jeopardy.

The IRB expects next week to be in a position to advise unions due to tour South Africa whether they should go.

Rugby Boer

IN THE old South Africa, protesters against apartheid took pocket mirrors to Springbok matches to dazzle the players. In the new South Africa, Louis Luyt embodies the rugby-loving Boer who refuses to be caught in the warm rays of the Rainbow Nation, writes Alex Duval Smith.

Described by Nelson Mandela as a pitiless dictator, and by almost everyone else as a bully, 67-year-old Mr Luyt is a sharp businessman who runs South African rugby like a family business. His five-year tenure as president of the South African

Rugby Football Union (Sarf) has been marked by big bucks, not least because he attracts money.

Never one to miss a trick, he held talks, on behalf of Sarf, with African National Congress leaders in exile. He made money selling beer to township drinking dens.

Using the fortune he amassed from a fertilisers business, he founded the Citizen newspaper, an apartheid mouthpiece. Too smart ever to nail his colours to a single mast, he pledged to integrate rugby and claims Sarf has sunk 105 million rand (£13 mil-

lion) into multiracial player development.

But Big Louis — he is 6ft 4in — is not one to have mastered Nkosi Sikeleli iAfrika, the national anthem, even if his players have. Yesterday he described Francois Pienaar — who captained South Africa's 1995 World Cup winning team — as a Judas. Pienaar was dropped in 1996 in what was interpreted as a political move.

Loyalty is all to Mr Luyt, who appointed his son-in-law, Rian Oberholzer, chief executive of Sarf. He made his son, Louis Jun, manager

of South Africa's biggest stadium, Ellis Park, and gave him sole rights to negotiate sponsorship deals.

Junior reportedly earned R2 million (£250,000) for signing up Nike and tying the South African, Australian and New Zealand unions to Rupert Murdoch.

Loyalty from mine of Sarf's 14 member unions has also kept Mr Luyt in power. They believe he is good for the sport and, for all the salves, he has put South African rugby on television and did secure a R200 million profit for the 1995 World Cup.

RAC payout for AA chief's sons

Julia Finch

THE fractious relationship between the AA and RAC deteriorated further last night when it emerged that the three sons of the AA's director general are full members of the RAC and stand to receive windfall payouts totalling £105,000.

The AA "categorically" denied that John Maxwell, its director general since last year, was entitled to a payout as a result of his honorary RAC membership. But it confirmed that two of Mr Maxwell's three sons are full members and will bank £35,000 each.

His third son, who applied for membership last year after being proposed by his father, is also in line for a payout. A source inside the RAC said he had been elected in March, just ahead of the deadline to receive £35,000.

Mr Maxwell has been highly critical of the RAC's decision to demutualise and sell off its breakdown and BSM driving school operations, handing the £450 million proceeds to the 12,000 members of the RAC's Fall Mall gentlemen's club. The RAC's 5.9 million ordinary members receive nothing.

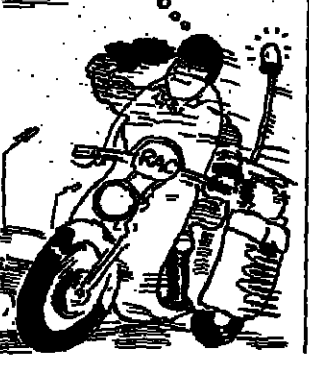
Last night an AA spokesman said Mr Maxwell would be writing a strongly-worded letter to the RAC. "We want to know why details of his membership and that of his three sons have been leaked. We are looking at the data protection implications."

The row came as the AA yesterday placed full-page adverts to boast that it was owned by its nine million members and run for their benefit. "Our loyalties are not divided," it stated. In an attempt to defuse the row about Mr Maxwell's involvement with the RAC, an AA spokesman said Mr Maxwell had once been a full member of the RAC, but resigned three years ago.

He was granted honorary membership of the RAC's exclusive club when he was appointed to head the AA.

An RAC source insisted Mr Maxwell had retained all the benefits of full membership, including access to the club's swimming pool, Turkish baths and Surrey golf courses. He believed he would receive a payout cheque.

Austin
HE'S IN THE AA, BUT YOU'RE JUST GOT TO SNAKE HIM...



Volkswagen in for Rolls-Royce

Nicholas Bannister
Chief Business
Correspondent

THE ROLLS-ROYCE luxury car company, the veyor of vehicles to the rich and famous, is about to be taken over by Volkswagen, the German firm which made its name with the people's car, the Beetle.

VW yesterday appeared to have snatched ownership of Rolls-Royce Motors from beneath the noses of its German rival BMW, which had already agreed to buy the luxury car firm from the Vickers group for £240 million.

The Vickers board, which would have preferred Rolls to go to BMW, was forced yesterday to switch its support after VW put in a "knockout" bid of £430 million.

The VW deal is certain to be opposed by a small band of patriotic Vickers shareholders and Rolls and Bentley enthusiasts.

Michael Shrimpton, a Bentley owner who has been seeking to put together a British offer for Rolls, said: "I think VW are no more acceptable to owners and dealers of Rolls-Royce motor cars than BMW. The brand geometry of a tie-up with VW is all wrong."

But the individuals will be out-gunned by the City institutions who own more than 90 per cent of the Vickers shares.

VW, whose marques include Volkswagen, Audi, Seat and Skoda, wants Rolls to

strengthen its range and improve its image. £430 million is considerably less than it would have to invest to develop its own luxury car.

While the Vickers directors will be embroiled in having to switch their allegiance at the last minute — shareholders vote on the offer on June 4 — they justified their move on the grounds that they have secured the best value.

Vickers put Rolls up for sale in October last year after it decided it could no longer afford the investment needed to develop new models. It said at the time that Rolls needed to be owned by a large automotive group, which effectively ruled out any British bidder.

Vickers, which was planning to return £188 million of the proceeds to shareholders if BMW bought Rolls, now plans to return £273 million through a special dividend worth 80p a share.

VW has not yet secured permission to use the Rolls-Royce name from the Rolls-Royce aerospace group which owns the rights. However it is confident that it will be able to reach a licence agreement.

VW wants BMW-made engines for the new £135,000 Rolls-Royce Silver Seraph and the Bentley Arnage to be replaced with British-built engines. It has agreed to see if new engines can be made by Cosworth, Vickers' high-performance engine subsidiary.

More mergers ahead, page 15

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Publisher and philanthropist Lord Hamlyn (left) and barrister Jonathan Ferris outside the house in west London which he almost bought from the peer. PHOTOGRAPH: ALEX LEVITAT

Barristers sue philanthropist peer who sold 'dream house' to higher bidder

Rory Carroll

PAUL Hamlyn, the publisher turned multi-millionaire philanthropist who was made a life peer by Labour, has been accused of joining a despised breed — the gazumper.

For the sake of extra cash he allegedly reneged on a commitment to sell a house to a couple, broke their hearts

and spurred them to issue a High Court writ.

The business acumen that built an estimated £272 million fortune was not in evidence in his choice of alleged victim, Jonathan Ferris, a barrister specialising in property law.

Mr Ferris's wife, Deborah Bangay, also a barrister, was inconsolable after the rejection of their £765,000 bid for Sussex House, a 17th-century

Grade II listed dwelling in Hammersmith, west London.

Arguing that their offer had been accepted, the couple are suing Lord Hamlyn and other trustees of his Paul Hamlyn Foundation, which was based at the house, for damages of up to £50,000. "We feel cheated and lost money," said Mr Ferris, from Limehouse, east London.

It is the first time a frustrated buyer has taken legal

action against a seller where there appeared to be no "lock-in", a formal mutual agreement, said the National Association of Estate Agents.

Lord Hamlyn's reputation as a philanthropist will be smudged if he loses the case. In between slipping £600,000 to Labour, his foundation has supported arts, education and publishing projects.

However the peer could not, claimed Mr Ferris, 44, resist

snaffling the extra £200,000 offered by a rival bidder for Sussex House.

The allegation is that in April, Lord Hamlyn, aged 72, accepted Mr Ferris's offer. He was assured in writing by the estate agent, Saville, that Lord Hamlyn was in Majorca for a fortnight and would not consider other offers as long as contracts were exchanged within two weeks.

On May 5, the couple's offer

was rejected. The rival bid had somehow reached Lord Hamlyn. "Money talks, I suppose that's what always happens," said Mr Ferris. "I imagine it was a side issue for him. I don't think he had thought that there would be very bitter disappointment for us."

The couple, who share an office at Bedford Row Chambers, Holborn, central London, claim they incurred

heavy costs by paying for a valuation, a solicitor's search, putting their own flat up for sale and raising money quickly, including cashing in £35,000 in Peps and losing interest in removing £75,000 from a 60-day notice building society account.

Conscious of the deadline, they also claim they arranged a mortgage, retained an architect to negotiate with English Heritage over planned

£100,000 renovations. The writ says: "The representations made on his [Lord Hamlyn's] behalf by his agent were false in that offers did not close on Tuesday, April 28 ... as a result of the misrepresentations (which were made recklessly and/or negligently) the plaintiffs have suffered loss and damage."

The Paul Hamlyn Foundation and Savills both declined to comment yesterday.

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Nurse wins payout over enforced caesarean birth

Claire Dyer
Legal Correspondent

A VETERINARY nurse who was wrongly detained in hospital under the Mental Health Act and forced to undergo a caesarean operation against her will won the right to substantial damages in the Appeal Court yesterday.

Three judges ruled that her admission in April 1996 to Springfield hospital in south London, her transfer to the obstetric ward of nearby St George's hospital, and her detention there were unlawful. So was the operation, even though it had been sanctioned by a High Court judge.

The Appeal Court ruling paves the way for substantial damages for false imprisonment and trespass to the person for the 30-year-old single mother, named only as MS to protect her daughter, now aged two.

Lord Justice Judge, who delivered judgment yesterday, will assess the damages against two NHS trusts, likely to be in five figures, at a later hearing.

The decision also opens the way for up to a dozen other women forced to undergo caesareans after High Court hearings at which they were not represented to sue trusts for damages. They would have six years from the date of the operation to lodge a claim. At least one other woman is already suing.

The judges overturned a High Court declaration by Mrs Justice Hogg authorising

the operation, obtained by St George's at the end of an "extraordinary and unfortunate" hearing, during which the judge was wrongly told MS had been in labour for 24 hours when she had never been in labour at all.

Mrs Justice Hogg never asked whether MS was mentally competent to refuse treatment, though the court has no jurisdiction to override the refusal of a competent adult.

MS said last night: "It is everything I've hoped for and it's such a relief to have this mental health stigma taken away. I hope it's never going to happen to anyone again."

'It's such a relief to have this mental health stigma taken away'

In a ruling that will surprise NHS managers and doctors, the judges held that court declarations made after an ex parte hearing — where only one side is heard — give doctors and hospitals no protection from being sued. Almost all declarations granted since the first such case in 1993 have been ex parte.

The court confirmed that a woman who is mentally competent cannot be compelled to undergo medical intervention to preserve her own life or that of her unborn child. Courts may authorise intervention only where the woman is not competent to decide for her-

self, and only where she is represented by her own lawyer or the Official Solicitor.

MS was 36 weeks pregnant when she went to register as a patient with an NHS practice near her home. A GP diagnosed her as suffering from pre-eclampsia, a life-threatening condition, and advised her to go into hospital to have the birth induced. MS, who wanted to have her baby by natural childbirth at the home of friends in Wales, refused. Louise Collins, a social worker approved under the Mental Health Act, "sectioned" her under the act and she was taken to Springfield hospital.

From Springfield she was taken to St George's. She consulted a solicitor who told her she was entitled to refuse treatment.

The Appeal Court judges held that Ms Collins, the social worker from the London borough of Merton who arranged MS's admission to hospital for assessment under the Mental Health Act, acted unlawfully in detaining her because of her pre-eclampsia, not because of mental disorder as required by the act.

The claim for damages is only against Pathfinder Mental Health Services Trust, which runs Springfield hospital, and St George's Healthcare NHS Trust, and not against Merton.

Merton council said: "We are considering an appeal."

The trusts are also expected to seek leave to appeal to the House of Lords.

The judgment was hailed by the mental health charity Mind and by Liberty.

Doctors urged to shun patents on life-forms

Paul Brown
Environment Correspondent

PATENTING life forms is to be declared unethical by the World Medical Association (WMA) because it is aimed at maximising profit rather than making treatment available to patients.

The organisation, which represents doctors and scientists in 77 countries including the British Medical Association, says in a proposal to all member groups that no doctor should take part in patenting lifeforms and medical processes.

The organisation contacted the Guardian yesterday following the disclosure that an American company was trying to patent the complete gene sequence of a meningitis bacterium, which would mean that anyone developing

a vaccine would have to pay a royalty to the company.

The WMA proposal says: "Physicians have an ethical obligation not to permit profit motives to influence their free and independent medical judgment. For physicians to pursue, obtain, or enforce medical process patents could violate this requirement."

The organisation also says that doctors have ethical obligations both to teach skills and techniques to their colleagues and continuously learn and update their own skills. Patents can undermine these obligations by limiting the dissemination of knowledge, particularly if results were delayed being made public in the hope of obtaining patents.

Some 80 countries have already banned the registering of such patents but the United States and Europe have not. The American Medical

Association is instrumental in proposing a world wide ban on such patents for members.

It says there is no reason to believe that those holding these patents would make the information widely available. "The point of obtaining a patent is to maximise one's profit. In the case of patented medical procedures, this may be done by making the procedure widely available through non-exclusive licensing with low licence fees, or by limiting availability and charging higher prices to people who cannot afford to do without the procedure."

The WMA concludes that "the patenting of medical procedures poses substantial risks to the effective practice of medicine by limiting the availability of new procedures to patients. Therefore the WMA considers it unethical."

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The Fake Connection

'Any time any reputable news organisation gives its readers or viewers details that later turn out not to be true, they are obligated to tell the truth'

Don Hewitt of CBS's 60 Minutes

So far we have been told four versions of what happened to the mule. None is true

Changing 'facts' prompt Michael Sean Gillard and Laurie Flynn to ask if producer can tell the truth

ONE of the most difficult tasks facing the Independent Television Commission inquiry will be to establish whether the producer, Marc de Beaufort, is capable of providing a definitive and truthful account of the events surrounding the making and faking of The Connection.

The latest version of de Beaufort's unique interpretation of the truth was given to Jon Snow, the Channel 4 News presenter, on Wednesday night. De Beaufort repeatedly failed to address the evidence about key lies in Carlton's "documentary", which were exposed by the Guardian's investigation.

They are:
□ The "drugs mule" did not have drugs in his stomach.
□ He did not get through Heathrow.
□ The "No.3" in the infamous Cali cartel was actually a retired bank cashier with low level drug connections.
□ The interview with the

"No.3" was shot in de Beaufort's hotel room. He was not blindfolded, under armed escort and risking his life en route to an unknown location as he claimed.

□ The mule's "continuous" journey to Heathrow was filmed in two stages, six months apart.

□ Documents in the Guardian's possession show that de Beaufort paid for the mule's plane ticket.

De Beaufort claimed to Channel 4 that he knew the mule got through because the specialist researcher Adriana Quintana (who blew the whistle to the Guardian) had told him. But Quintana had told Carlton in writing six days before transmission that her friend Gustavo was a "fake mule" who was deported from Heathrow to Colombia because of a false passport — which she had paid for with Carlton expense funds.

Quintana also told the Guardian that she informed de Beaufort (who flew to London with the mule) that Gus-



tavo had been deported. British Customs confirmed the "mule" was held overnight on the standard diet of sweetcorn and baked beans to see if he was carrying drugs in his stomach. They found none and deported him. Immigration documents in our possession also confirm this. Stranger still, in an interview with the Guardian last November, de Beaufort gave an elaborate explanation about how he had flown to Colombia to speak with the "No.3" and had been told by telephone three amazing and convenient facts — Gustavo the mule had got through; that there were at least six other mules on BA flight 248 who also got through; and

that he could show Gustavo's face "because this man is of no use to us any more".

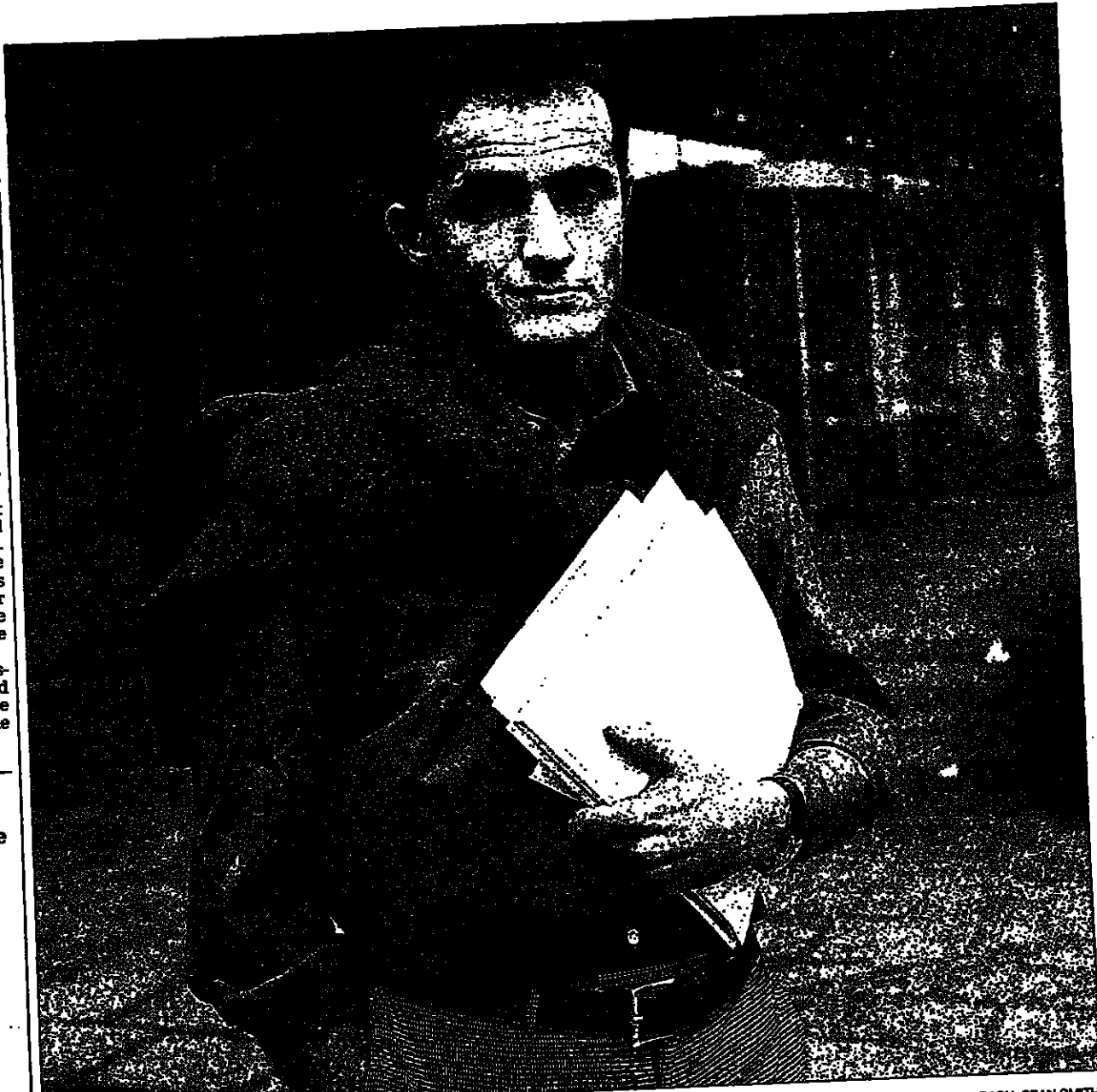
Once again the logic of de Beaufort's argument does not hold up. If Gustavo had got through as he claimed, then why would the mule be of no further use and the cartel want his face shown?

De Beaufort also explained to Channel 4 News the circumstances surrounding his blindfolded journey for his exclusive interview with the "No.3". "It was done in a mystery place. I have absolutely no idea where it was done."

But he had told us something different when we interviewed him last November. He claimed he had been driven around Pereira, Colombia, for two hours before arriving at an "unknown urban location".

Interviewed by CBS last June, he said the blindfolded car journey lasted two days. Our investigation showed the "unknown location" was Room 721 of the five star Hotel Melia in Pereira. The phoney interview took place in his room.

Despite all these inconsistencies, de Beaufort insisted to Channel 4 News: "We were extremely honest with the viewer."



Marc de Beaufort yesterday. He claims his programme was 'extremely honest' with viewers

PHOTOGRAPH BY SEAN SMITH



Version 1

Marc de Beaufort to Steve Kroft of CBS 1.6.97.

KROFT: The cartel insisted that de Beaufort stop shooting when he entered the Heathrow airport for fear that he would draw too much attention to the mule. As it turned out, de Beaufort was briefly stopped at Customs by drug-sniffing dogs. He was

wearing the same clothes that he had worn a few days earlier while filming in a heroin processing lab back in Colombia. But the mule had no problem. DE BEAUFORT: It was quite ironic because apparently he just sailed through. KROFT: And de Beaufort never saw the mule again. Do you know what happened? DE BEAUFORT: I do now, yes. I know that he

got through. I know that he waited into London and went to the place where he was supposed to go and another pound of heroin was on the British streets.



Version 2

Marc de Beaufort to the Guardian 11.11.97

GUARDIAN: What happened to him [the mule] at the airport? DE BEAUFORT: I have no idea. GUARDIAN: Your executive producer [Roger James] knows what happened to him. But you don't and you made the film? DE BEAUFORT: Yeah — he was stopped.

GUARDIAN: So you do know what happened to him? DE BEAUFORT: Well, he was stopped and I have no idea what happened to him after. Come on, you know what I mean. GUARDIAN: How do you know he was stopped? DE BEAUFORT: Because he didn't come out. GUARDIAN: And you didn't make any inquiries?

DE BEAUFORT: I made inquiries back in Colombia... to meet the No.3... I was told I could show the guy's face... They said this man is no use to us any more, you can show his face... They didn't just say that they got through — they said everybody got through. Show his face. They didn't tell me the exact number. They said there were at least half a dozen on the plane. GUARDIAN: Busy flight.



Version 3

Marc de Beaufort to Channel 4's Jon Snow 6.5.98

DE BEAUFORT: ... the purpose of the film was to show how Colombian drug cartels have switched from cocaine to heroin. SNOW: Yeah, but the sensational bit was that you got a mule who was being run by someone you got access to... and he got right

through Heathrow. We now know he was deported and sent back. DE BEAUFORT: ... we did get access to the mule, he was allowed by the cartel to take part in this filming... was that, as soon as we got to London, we would not follow the mule any more. I was told later by our researcher who was our main contact with the cartel that the mule had indeed got through as, indeed, had other

mules on that same plane. SNOW: Well "I was told" is a pretty frail defence isn't it? DE BEAUFORT: Well it's not... SNOW: You had no evidence that he got through. DE BEAUFORT: It's not really, Jon, because I cannot have that evidence, you see.



Version 4

ITV Network First's The Connection, watched by 3.7 million viewers 15.10.98

"According to the cartel, the mule we've been following got through. They also maintain that there were other mules on BA 248. None of them were caught."

'It's been an unbelievable season. I didn't think things would happen so quickly, what with getting to the cup final and challenging for the Premiership.'
Robert Armstrong meets Danny Grewcock

Sport98 page 4

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Tommy Smith pays DSS penalty for Wembley shoot-out

Ex-Liverpool star loses benefit plea

John Duncan
Sports Correspondent

TOMMY SMITH, Liverpool's hard man during their 1970s domination of English football, yesterday lost his appeal against the withdrawal of his disability benefit, when a three-man tribunal backed a Department of Social Security ruling that if he could take a penalty at Wembley, he was not entitled to the £132-a-week payment.

Smith was captured on television taking a spot kick in a veterans' shoot-out before the 1996 Liverpool versus Manchester United FA Cup final. The pictures, seen by DSS official John McVerry, were reported by him to DSS investigators. They decided to stop Mr Smith's benefits in September 1996.

Yesterday's decision at a Manchester hearing of the Independent Tribunal Service means he will now receive only £13.15 a week, the minimum benefit.

Mr Smith, who has had two knee joints and one hip replaced, has suffered from osteoarthritis and rheumatoid arthritis since retiring from football in 1979.

He attended the hearing in a wheelchair and wearing a headbrace due to injuries he sustained in a car crash on the M58 near Skelmersdale, Lancashire, last month. After being cut free from the wreckage, he was found to have



Then... Tommy Smith in his 1970s soccer heyday

three fractures to his spine and four broken ribs. Police said he was lucky to survive.

Mr Smith, from Blundell, Merseyside, was furious at yesterday's decision, claiming that the investigation was a personal vendetta against him. He accused the DSS of ignoring medical reports from a consultant surgeon, a consultant rheumatologist and a GP, which said

that his ability to walk was restricted to 50 yards or less.

"This decision is an absolute disgrace," he said. "I am disgusted. I was dragged up to the eyeballs to take that penalty. I had to be helped into my kit and on to the pitch by Alex Stepney [the former Manchester United goalkeeper]. None of their [DSS] doctors examined me properly and I intend to appeal

against their decision. I will take this case to the House of Lords if I have to.

"Because I go on holiday to America, because I took a penalty at Wembley, and because I do some after-dinner speaking, that makes me able-bodied? I'm not going to lie down and be trodden on. I think it adds insult to injury when I have never been in trouble in my life. People who know me know I'm upfront. They [the DSS] think I'm going down this road just to get a few bob off them."

Mr Smith was supported by evidence from his agent, Gary Skyner, who said that TV producers had been warned that his ability to take the kick would depend on his unpredictable condition on the day.

"There are thousands of disabled people who are being deprived of benefits unjustly and Tommy was fighting for them as much as himself," said Mr Skyner. "Tommy is a big man and his wife has to struggle to cope with looking after him because of his severe level of disability. She needs all the support she can get and he is entitled to the disability living allowance."

Wheeling her husband away from the two-hour hearing, Sue Smith said: "I think it's totally disgusting. They could have come to stay with us for a week and seen what I did for him — but they still probably wouldn't have believed us."

Mr Smith added: "The money means nothing to me. It is a matter of principle."



And now... Mr Smith and his wife Sue arriving for his appeal against denial of disability benefit. PHOTOGRAPH: DAVE KENDALL

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The Link

Lost man's family seek police aid for search

Duncan Campbell
Crime Correspondent

THE family of a librarian missing in Turkey have turned themselves into a team of detectives in an effort to find out what has happened to him. Yesterday they appealed for help from the Government in co-ordinating a search which has so far spanned four countries.

Edgar Fernandes, who lives in Euston, central London and works in a library in Hackney, east London, arranged a last-minute break in Istanbul over Easter. He found the name of the hotel in the Rough Guide and booked a room from April 8. Since he had been planning a week's holiday, it was some time before any alarm was felt. When he failed to return home in mid-April, his family and friends became anxious.

Through his telephone bills they traced the hotel. Five family members and friends flew to Istanbul to investigate. They discovered that he had arrived to be told there was no room in the hotel. He was, however, offered a bed in the room of an Egyptian guest which he had accepted. He

had later been seen having a drink with the Egyptian.

His luggage was found in his room but his money and passport were missing.

His family then got access, on compassionate grounds, to his credit card transactions. These showed that £700 had been spent on clothes in Istanbul. The card had also been used extensively in Malta. A friend of the family set off for the island to investigate. Inquiries have also been made

in Egypt. "The Turkish police have been to the shops where the credit card was used and it was definitely not my brother who was using it," said his brother, Mathias Fernandes, yesterday on his return from Istanbul. He and other members of the family have been distributing missing person leaflets in Turkish and English in the streets of Istanbul but as yet there have been no reports of his brother.

He said that it had been hard to convince police in England and Turkey that his brother's disappearance was suspicious. He added that the family had had to co-ordinate between police forces and internet branches in Turkey, Malta, Egypt and England.

Yesterday Labour MP Keith Vaz chaired a meeting with the family in the House of Commons in which they asked the Government to request Scotland Yard to play an active part in the investigation.

"I am calling for increased attention to be given to this case," said Mr Vaz. He said he would ask Foreign Office minister Baroness Symons to urge the Turkish authorities to take urgent action.



Edgar Fernandes: missing in Turkey since Easter

Football lottery game to raise £200m for charities

Julia Finch

POOLS company Vernons is to begin a new national football lottery in August which is expected to raise £200 million for good causes in the next three years.

The Vernons game, which will get under way at the start of the next football season, will run alongside the National Lottery on Camelot's 25,000 computer terminals every Saturday.

Some 10 million of the 25 million adults who regularly play the National Lottery are expected to have an extra flutter on the new football game. The minimum stake for the game will be £1.

The managing director of Vernons, Phil Jarrold, said: "We have done extensive research over two years on this game. We think that a quarter of adults will play

regularly and the same number of women as men."

Details of how the game will operate are being kept under wraps but Mr Jarrold said: "It is based on real results and will not require an encyclopaedic knowledge of football."

There will be multiple prizes including some "very substantial sums", but they will be less than the National Lottery's multi-million-pound payouts.

Vernons, part of the Ladbrokes group, plans a publicity drive for the new game in July and hopes to cash in on a wave of post-World Cup football euphoria.

The new game will operate under a licence granted by the National Lottery watchdog, Oflot, which allows new lottery products to be introduced if they donate the same proportion of each

pound spent to good causes and return half the stakes as prizes.

Accordingly, Vernons will split 28p from every pound spent on the game between charities, sports, arts, the Millennium Commission and the Government's New Opportunities Fund. The Treasury will get 12p in tax and ticket sellers 5p.

The remaining 5p will cover a commission payment to Camelot for the use of its terminals, royalty payments to the Football League and the FA for using their match results and produce Vernons' profits.

The licence to operate the as yet unnamed new game will run until Camelot's licence expires in 2001.

Littlewoods, the biggest pools company, is understood to be planning a rival bid to run the National Lottery when Camelot's licence expires in 2001.

Sometimes when I'm driving back across the Pennines and the team are training I can see our floodlights way off on the horizon like a beacon.

John Flynn talks to Harry Pearson

Sport98 page 8

The Guardian Friday May 8 1998

All aboard to keep eco protest on the rails

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Knees point finger at heel

Modern will cu

Helen Carter

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All aboard to keep eco protest on the rails

Maev Kennedy

ROPE climbing and tunnelling skills perfected at the Newbury bypass and other road protests are being applied to a scruffy but Grade II* listed building in Oxford.

Eco-activists and local residents have moved into the dilapidated former LMS building, which is regarded by industrial archaeologists as one of the most important buildings in Oxford.

It was built by Fox Henderson as a railway station to take day trippers to the 1881 Great Exhibition. Fox Henderson was Joseph Paxton's engineer on the Crystal Palace, and used identical technology and prefabricated cast-iron sections on the station.

The station has been redundant and partly demolished since the 1960s, and has also suffered vandalism and a serious fire.

It now stands directly in the path of two developments. The county council wants to widen the road to six lanes, passing straight through it to



Oxford's 'Crystal Palace', the former railway station which protesters want to stop becoming 'Oxford Circus'

PHOTOGRAPH: GARRY WEASER

remove a bottleneck. The university, which owns the land, wants to build the Wazir Said business school, with a £20 million donation from the Syrian businessman, on the rest of the site.

The report of a public inquiry into the road plans is expected at the end of this month. At the inquiry, architects and industrial archaeologists argued that the build-

ing should be renovated on its present site. The building is now festooned with banners proclaiming "Six lanes? You must be choking" and "Welcome to Oxford Circus".

The banners were painted by 10-year-old twins Daniel and Rachel, and by Paul, a qualified psychologist, school lollipop man, rope climbing

tutor to the residents, and Newbury veteran. "I was evicted three times at Newbury - I was never arrested, I'm too polite," Paul said. "This is a beautiful building and part of the history of Oxford. We are inviting people to come and learn about it and the council's dreadful plans for this city."

The official resident of the LMS station is now Edward Pope, who has an electricity

bill to prove it. "I'd like to live here forever. This corner should be a beautiful gateway to Oxford, a pleasant leafy pedestrian-friendly area, not a huge commercial development beside a motorway."

Since they moved in at the weekend the activists have cleaned and tidied the building, which is on the point of collapse in places. They are investigating the possibility

of tunnelling at the back of the building, and preparing to lock themselves on to the 140-year-old cast-iron columns. While they wait for the bailiffs to attempt to evict them, the new residents are planning to decorate the station in its original red, yellow and blue colour scheme, and tomorrow are inviting all-comers to visit what they call "Oxford's little Crystal Palace."

White clubs fear ethnic cricketers

John Duncan
Sports Correspondent

A CRICKETING apart, held is being created with black and Asian cricketers being ostracised by white clubs because they are perceived as too competitive and aggressive, a report on racism in English grassroots cricket to be published next week will conclude.

The 57-page report, Anyone for Cricket, undertaken by the Centre for Sport Development at Roehampton Institute on behalf of the London Community Cricket Association, sent questionnaires to 450 white, black and Asian cricketers in Essex and east London and conducted interviews with 45 cricketers. They found evidence that some white teams deliberately avoid playing Asian teams.

One Asian cricket captain told the researchers that he had difficulty organising matches for his team when they were called Punjab XI. "So I instantly changed the name to Strikers XI and I started getting some fixtures in and started playing white teams," he is quoted as saying in the report. "But when we would turn up the expressions we would get were like 'What's happening here?'"

Another Asian cricketer says: "If the fixture secretary knows that there is an accent they're not going to give you a fixture. As soon as they know it's an Asian side they will

find an excuse saying 'we are too strong, we haven't got a date free' even though I find out later that they have dates."

White cricketers are more interested in a gentle game with the social aspect as important as the game itself where black and Asian cricketers, according to the report, are more interested in winning.

One black cricketer who came to Britain told researchers the cricket played in England was "soft". "It was not aggressive cricket or hard cricket. When I say hard cricket I mean you have guys coming in at 50mph trying to do damage to you and you've got to be good enough to stay there and bat. Whereas in this country you don't get that."

The England and Wales Cricket Board, which helped commission the report, welcomed its comments. "It's a valuable contribution to the debate about levels of racism in cricket," said an ECB spokesman. "We are opposed to racism in all forms and keen to encourage the widest possible participation in cricket."

The ECB, which is the governing body of cricket, is undertaking a national audit of recreational cricket to assess problems at grass roots level and encouraging county development officers to get involved in promoting cricket among ethnic minorities. Four of the 20 CDOs are black and Asian.

Knees point finger at heels

Sarah Roseley
Health Correspondent

WALKING in high-heeled shoes may increase the risk of getting arthritis in the knees, a study by American researchers suggests.

Little is known about the effect on the leg joints of wearing high heels, say three Boston scientists, yet osteoarthritis in the knees is twice as common in women as in men.

To measure the effect of high heels on the leg joints, 20 volunteers who were used to wearing narrow heels at least 4 inches high were asked to walk 10 metres in high heels and then barefoot while the movement of their legs was videoed and analysed through the relationship between markers attached to bony landmarks on the pelvis and legs.

Casey Kerrigan and colleagues from Spaulding Rehabilitation Hospital and



Heels like these may cause arthritis, researchers say

Harvard medical school in Boston, Massachusetts, found that significant extra wear and tear was put on the inner side of the knee joint, where arthritis is most common.

"Our findings confirm that wearing high-heeled shoes significantly alters the normal function of the ankle. Because of this compromise, compensations must occur to maintain stability and progression during walking. Our findings suggest that most of these compensations occur at the knee," the paper, published yesterday in the *Lancet*, says.

Modern offices will cut stress

Helen Carter

THE days of stressed workers toiling at their desks for 44 hours a week could soon be over, says Pitman Training's Office Culture Report.

Desks will be relics of the past in a workplace which will closely resemble a comfortably furnished home, and bold decorations will be used to create a more relaxed and sociable atmosphere.

The vision of working life in the year 2010 includes a voice-activated office door which opens on command and a friendly human face on a data screen when you encounter a problem.

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The study, compiled by Pitman Training, revealed that at present staff work in a high pressure office environment for 44 hours a week.

Ninety per cent of the 1,000 employers and employees who were asked about workplace stress complained of increasing pressure.

Managers are also facing extra demands on their time as they are forced to work a 51-hour week. Their main gripe was the effect on their social life.

This grim trend is set to be reversed as we approach the millennium. Pitman Training

managing director Chris Marshall said: "This vision of the future may sound like something out of the space age, but it will soon become reality. The fundamental findings of our report are that the boundaries between the home and office are starting to erode and will continue to do so. People will be more flexible."

Two thirds of staff already support technology such as e-mail and the Internet, which has been introduced into many offices, as they believe it makes their jobs more enjoyable. Only 5 per cent of people say they are strongly opposed to new technology.

Psychologist David Lewis said: "The office of 2010 will be a hi-tech haven, with gadgetry revolutionising the way we work. Pressure will be as much on the agenda as business."

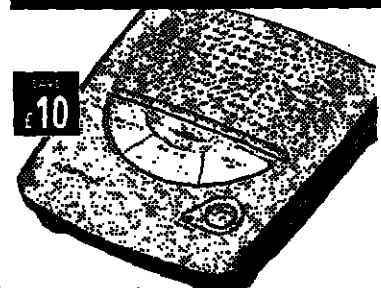
"This will have a positive effect on family life, as people will have increased leisure time and lower stress levels."

Michael Hay, communications manager at the furniture retailers Ikea, agreed there would be more home comforts in offices.

"They will be more like clubs, with many small meeting points, more individually designed areas and more colour."

The report was released just days after the Health and Safety Executive announced companies could face prosecution if they exposed their employees to severe stress, under the 1974 Health and Safety at Work Act.

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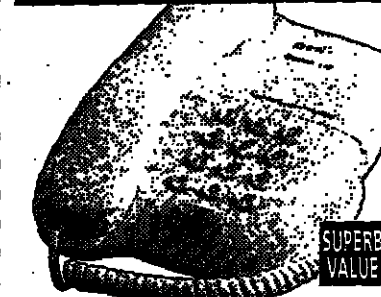


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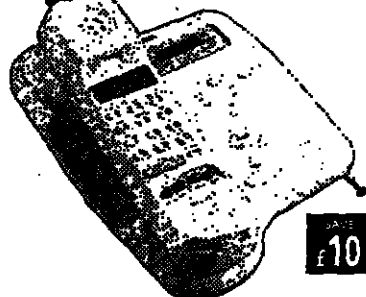


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Lethal landslides



A wrecked car sits in mud by a ruined house in Episcopio, near Sarno, yesterday after torrential rains drove mud and rocks through villages in south Italy. PHOTOGRAPH: GPO FUSCO

Italy's unnatural disaster

John Hooper
Southern Europe
Correspondent

THE mud swamping Sarno and nearby towns began to stink yesterday. It holds vegetation torn from the surrounding hills when the earth collapsed under torrential rain on Tuesday night, and the leaves, branches, grass and bark trapped in the sludge started to rot.

But there was another rotten smell coming off the sludge: the all-too-human stench of selfishness, corruption and negligence. The tragedy that befell the Sarno valley was only to a limited extent a natural disaster.

True, the rain was exceptional. Officials said as much rain had fallen in the area this week as would normally fall in a year. True, the geology of Campania, the region surrounding Naples, is inherently perilous. Its volcanic soils are in a precarious alliance with its limestone rock, always threatening to slip off under extreme weather.

But the other reason why so many landslides take place in Campania, and Italy, has nothing to do with rain or soil, but with a failure to obey or enforce the law. It has to do with a culture which puts a greater emphasis on forgiveness than on punishment. It even has to do with organised crime.

Except perhaps for the involvement of organised criminals, Italy is not unique in this respect. The process that brought death and destruction to the Sarno valley is the



A woman gestures as she and rescuers search rubble in Episcopio for bodies or survivors of the mudslides

one that has increasingly visited lethal flash floods on eastern Spain and will soon bring death and destruction to areas of Portugal, Greece and Turkey as they, too, become richer and more developed. Across southern Europe vested interests have combined to invent a system that eliminates the natural methods by which excess rainfall can be absorbed harmlessly. The first step involves clearing for development land the authorities have designated as "green belt". The easiest way is a forest fire.

The growing incidence of such fires around the Mediterranean is not coincidental. Large numbers are started deliberately by developers to ensure that the areas they have targeted lose their natural beauty. One of the side-effects is to loosen the underlying soil. Then comes the development itself. Throughout sunbelt Europe, the easiest way for an individual to add on an extension, or for a builder to put up a house, is not to submit plans for approval but just to go ahead — often in

Death tolls climbs to 54 and hope fades for 98 still missing

THE death toll from southern Italy's disastrous mudslides rose to 54 yesterday as rescue workers continued to search for 98 people still missing since Tuesday, Philip Willan in Rome writes.

"As the hours pass, the hope of finding people alive gets ever fainter," said Andrea Todisco, the head of the Civil Protection Department in Rome.

Rescue workers assisted by dogs were digging in the deep mud that swept down Mount Sarno and rolled into the centre of Sarno town. As they worked, new landslides continued to rumble down the rain-sodden mountain.

In the neighbouring town of Quindici, rescuers found the body of a woman, aged 35, clinging to the roof of her submerged house. In the ruins of the parish

church, a head appeared from the bulldozed mud, but turned out to be part of a statue of the Madonna.

Italian newspapers were filled with criticism of national and local political authorities.

In parliament, Franco Barberi, under-secretary with responsibility for civil protection, said local administrators had allowed houses to be built without taking account of the geological risk factors, while the neglect of forests and the failure to ensure an adequate drainage network had done the rest.

Among the offers of help pouring in was a promise of technical assistance from earthquake-struck Umbria. "We can understand what it means to be struck by catastrophe," said Mariano Borgognoni, the president of Perugia province.

August when most of officialdom is on holiday. There is almost no risk that the new structure will be demolished.

Local councils depend heavily on construction licence fees. Even if they cannot be persuaded, or bribed, to accept a *fait accompli*, there is rarely long to wait before the next central or regional government amnesty. Then illicit construction can be legalised overnight with the payment of a fine — an infinitely simpler procedure than obtaining planning permission.

Right now the autonomous government of Sicily is using its extensive powers to legitimise 20,000 holiday homes built on beaches, cliffs and wetlands in defiance of planning regulations.

proper drainage or foundations. Or else they stand by riverbeds that seem empty, and remain empty — until the next once-in-a-century storm.

The Naples area is where the process reaches its delirious apogee, exacerbated by the intimidatory power of the local mafia, the Camorra. Probably the most astonishing single example of rogue development in Europe is a Campanian town of 15,000 inhabitants, called Villaggio Coppola di Castelvolturno, which was created entirely without authorisation.

The rising frequency of what Italians call "hydrogeological" disasters in the area underlines the human cost of such unplanned development. Landslides caused multiple deaths in Campania in 1973, 1978, 1986 and 1997. But last year there were no fewer than three.

It is just possible the tide could now turn. The horrific, choking deaths of those who died in the mud that swept into Sarno have given a chilling resonance to the warnings of environmentalists. Something considered a hobby horse of the Greens has suddenly become the common wisdom of opinion makers.

The centre-right Il Messaggero newspaper spoke yesterday of "collective suicide": the centre-left La Repubblica of "environmental pillage".

But by far the most uncompromisingly damning words came — encouragingly — from a politician.

As he flew over the devastated valley in a helicopter, the interior minister, Giorgio Napolitano, said: "I am witnessing scenes unworthy of a civilised country."

News in brief

Indonesian students defy army chief

INDONESIA'S armed forces commander ordered university students to end their three-month protest yesterday as the currency plunged further amid fears of total economic collapse. But tens of thousands of students across the country ignored the warning, taking to the streets and clashing with security forces trying to force them back on to their campuses.

Hundreds of troops, including reserves flown in from Jakarta, kept a high-level presence in Medan, in north Sumatra. The scene of three-day rioting and looting after a 57 per cent rise in fuel prices, the city was relatively quiet yesterday.

Most traders kept their businesses closed, and hundreds of Chinese fled Medan after being targeted by rampaging mobs. General Wiranto, the armed forces commander, who flew to Medan on Wednesday night, said yesterday: "Essentially all Indonesians have agreed we need reform. I hope the students' actions, which have now also involved the masses, should now be oriented towards peaceful acts that would contribute to the concept of reform." He said soldiers had been ordered to shoot rioters and looters on sight. — John Aglionby, Jakarta.

Convicted mason vanishes

THE disappearance of Licio Gelli, the former head of the outlawed Propaganda 2 (P2) masonic lodge, on the eve of his incarceration for fraudulent bankruptcy has sparked controversy in Italy.

Mr Gelli, whose 12-year prison sentence for involvement in the 1982 collapse of the Banco Ambrosiano was confirmed on April 22, vanished from his home in Arezzo shortly before the court reached its verdict, police said yesterday.

Mr Gelli, aged 79, is suspected of having created a subversive state within the state with secret service backing in the 1970s and 1980s. Twenty-four government supporters in the senate yesterday called for those responsible to be punished.

"Gelli's flight shows that governments can change but the top bureaucrats, who owe their careers to Gelli, have remained in place," said Sergio Flamigni, a former member of the parliamentary P2 commission. — Philip Willan, Rome.

Home for 'Moroccan Mandela'

ABRAHAM SERFATY, the Jewish communist who served almost as many years in Moroccan jails as Nelson Mandela did in Robben Island, is finally to be given a passport by his homeland.

Mr Serfaty was released from prison and expelled to France in 1981 after his torture became the cause célèbre of an international campaign against King Hassan's prisons. The Moroccan interior minister, Driss Basri, insisted then that Mr Serfaty was Brazilian.

The decision to recognise his nationality by the new government of Abderrahmane Youssef comes after it released another prominent dissident from house arrest and promised to reveal the fate of hundreds of the "disappeared". — Victoria Britain.

Serial killer named

THE middle-aged man suspected of being a serial killer responsible for eight murders in north-west Italy in the past two months was identified yesterday as Donato Bilancia, aged 47, from Genoa.

Mr Bilancia, who made a living as a professional gambler and con-man, was arrested on Wednesday and charged with the murder of a Nigerian prostitute. He is also suspected of having killed four other prostitutes, two private security guards and two women travelling alone by train. — Philip Willan, Rome.

El Niño threatens Paraguay

HEAVY flooding caused by torrential rains blamed on El Niño has forced 75,000 people from their homes in Paraguay and has spread south, the United Nations said yesterday. The situation is critical in the town of Pilar, Neembucu province, where the Paraná River is running 28ft above normal level and is still rising. — Reuters, Geneva.

Bishop's suicide protest

A PAKISTANI Roman Catholic bishop shot himself to death outside a court to protest against a death sentence on a fellow Christian for blasphemy against the majority Muslim faith, local officials said yesterday.

Bishop John Joseph, aged 67, killed himself after leading a procession to the sessions court of Sahiwal, in Punjab, where Ayub Masih was sentenced to death for defaming the Prophet Mohammed, officials said. — Reuters, Faisalabad.

Danish MPs vote to end strike

THE Danish parliament yesterday adopted a government proposal to end the country's biggest strike in 13 years as workers gathered outside parliament to protest against a forced solution. MPs passed the bill by 95 votes to 12 with 10 abstentions, the Speaker said.

The Confederation of Trade Unions called demonstrations in main towns after the prime minister, Poul Nyrup Rasmussen, said on Wednesday that the government planned to intervene in the crippling 11-day strike. — Agencies, Copenhagen.

Rock 'n' roll swansong

THOUSANDS of Japanese fans crowded a Tokyo Buddhist temple yesterday to mourn Hideki "Hide" Matsumoto, the lead guitarist of the popular rock band X-Japan, and the latest in a series of high-profile suicides. One young woman followed him in suicide yesterday, while at least two others attempted suicide.

Matsumoto, aged 33, left no clue to why he hanged himself on Saturday with a towel hooked on a doorknob. — AP, Tokyo.

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Attack hastens march to war



Jonathan Steele in Drenica on an assassination attempt that leaves clues to an escalation of terror throughout Kosovo

THE FIRST senior politician to fall victim to an assassination attempt in Kosovo's quickening march to war lay wounded in a Pristina hospital last night, under the tight control of Serb police. Although Smajl Shkela is a regional head of the Democratic League of Kosovo (LDK), the largely Albanian province's biggest legal party, armed guards prevented his family or friends visiting him.

His brother Rifat was buried in a rain-soaked field 40 miles away, a few hours after gunmen opened fire on the two men as they drove to their home in the village of Barane at about midnight. Their red Lada, its side windows shattered by bullets, still stood on the dirt road where the assassination took place. The pebbles by the driver's door were stained with blood where Rifat fell out. Nearby, a pool of muddy water was crimson, apparently caused by Smajl who crawled away and lay in the dark until the killers disappeared. Struck by three bullets, he managed to stagger to Albanian houses and get help.

Although Serb police man dozens of checkpoints in the area and cruise up and down in official and unmarked cars, mourners at Rifat's simple funeral said no one in authority had examined the scene.

The mossy hillside offered a mass of forensic clues. Cartridges and spent bullets lay on the grass, footprints from heavy boots crisscrossed the sand, and five indentations from mortar bombs marked the slope, as though the killers had called in cover to protect their withdrawal.

"The only police we have seen today were those who told us not to make any speeches at the funeral," said Rifat Berisha, who represents Barane for the LDK in the "parallel" parliament elected

by Kosovo's Albanians. They have boycotted Serb-run elections as part of their strategy of opposing Serb sovereignty since Kosovo's autonomy was abolished in 1989.

The link between the Serbs blocking access to Smajl and their unwillingness to investigate the scene of the attack is seen by Albanians as not only proof of Serb complicity in the attack but of an escalation of terror.

"We've not had cases of top officials being attacked like this before. They've been imprisoned, sentenced, and beaten up, but not shot at," said Ibrahim Gashi, an LDK official. "We're worried about new murders in the future. We think it's pressure to get people to leave."

The Serbs say their growing military presence in Kosovo defends the province against terrorist attacks by the underground Kosovo Liberation Army. But they have killed more than 100 civilians in attacks on villages in the past two months. Their tactic of blockading villages so that people cannot move freely is only pushing more Albanians towards the KLA.

The Democratic League of Kosovo and its leader, Ibrahim Rugova, a poet-turned-politician, have spent 10 years espousing Gandhian non-violence. When the KLA appeared two years ago they refused to condemn it. Now the line is wobbling, at least when emotions are up.

"The KLA has made things better," said Rifat Berisha as he led the way to the shot-off car. "Where they operate, people do not massacre."

That certainly seems to be the mood in Drenica, one of three regions that have become no-go areas for the police in the past few weeks. The others are in western Kosovo: Djakovica, on either side of the road south from Pec.



Albanian women mourn over the body of a 70-year-old shepherd who, with another herder, was found murdered in western Kosovo. A politician was wounded and his brother was killed in a separate attack

A late-model Japanese four-wheel drive screamed to a halt when it saw our car approach. We had left a Serbian police checkpoint two miles behind. Out stepped a man in brand-new yellow-and-brown camouflage, with the badge of the KLA on his cap.

After checking our identity he let us follow him to a cluster of houses. Two men armed with Kalashnikovs got out of the vehicle. A BMW drove up, loaded with young men who later told us, as we spent the night in the village, that all the men take turns to keep watch on the hills.

A month ago, when I was in the same village, it was deserted. Only a few men huddled in one of the few remaining houses, to guard against Serb patrols and looters. Now the atmosphere has changed dramatically. Children play in family compounds and people work in the fields.

"This is a free zone," our host, Hajra, said in German. An Albanian who moved to Germany in 1970, he came home two weeks ago. It took him 12 hours to walk through the woods from Pristina.

He had sent two of his sons home when they were 10, long before the Yugoslav president, Slobodan Milosevic, ended Kosovo's self-rule. Now they are in their twenties and

married with children. "I came back because I could not leave my boys to be massacred," he told us.

A picture of Ibrahim Rugova hung on the wall, his trademark silk scarf and cigarette making him look like a 1970s Paris intellectual. But Hajra and his sons see no contradiction in their support for the pacifist and their admiration for the KLA.

The Drenica enclave is full of similar men, bored, angry, and desperate to fight. Now their sights are set on getting weapons.

One of Hajra's sons was due to graduate from a college in a nearby town this summer,

but came home without a diploma because of constant police harassment. "When they check your ID and see you're from Drenica, they beat you," he said.

The young men claim they are only trying to defend their homes and, as yet, there is little of the macho bravado one sees in other, more developed, guerrilla movements. They are not well enough armed to undertake any serious offensives.

But the militarisation — and brutalisation — of Drenica's youth is only a step away, as mobility and education dry up and the authorities in Belgrade send in more troops.

Mr Annan spoke to the parliament of the need for "life even after genocide" and "love after hate".

But the country's foreign minister, Anastase Gasana, accused the UN of having overlooked successive pogroms against Tutsis in 1958, 1968 and 1973, and failing to anticipate the slaughter in 1994.

"It wasn't a lack of information which handicapped you, it was a lack of political will," Mr Gasana said.

In a question session, MPs also criticised Mr Annan's own role as head of UN peacekeeping operations at the New York headquarters in 1994.

G8 has words for Nigeria

San Black Diplomatic Editor

NIGERIA'S military regime faces condemnation when the foreign ministers of the world's wealthiest states meet in London today to discuss international crises ranging from the Middle East and Kosovo to Asia's financial meltdown.

Robin Cook, the Foreign Secretary, chairs a two-day meeting of his counterparts from the United States, Canada, Russia, France, Italy, Germany and Japan, taking the strain for their prime ministers and presidents before next weekend's Group of Eight summit in Birmingham.

Canada's Lloyd Axworthy is to lead discussion of General Sani Abacha's failure to restore democracy, though there is little chance of agreement on anything tougher than verbal condemnation.

"The aim is to make sure that Abacha does not turn a blind eye to our criticism, and to keep this issue alive," one diplomat said last night.

Western concern about Nigeria has increased since last month when five officially sanctioned political parties all adopted Gen Abacha as their candidate for the August 1 presidential elections, meaning that he can win unopposed and that talk of return to democracy is a sham.

Experts say that only an oil

embargo could harm the populous West African state — which earns 95 per cent of its foreign income from petroleum. But this is unlikely, given US reliance on Nigerian crude products.

Earlier this week Britain and the European Union publicly dismissed the promised transition to democracy as a failure. The EU has already imposed a limited set of sanctions, including a ban on sporting links and a visa ban for senior officials. But France, which has been cultivating closer relations with Abacha, has been reluctant to back a tougher EU line.

On Wednesday Nigeria's combative foreign minister, Tom Ikimi, accused Britain and the US of fomenting the violence in which seven people were shot dead by security forces in the south-western opposition stronghold of Ibadan on May 1.

The G8 foreign ministers, meeting in parallel to the finance ministers, will also discuss global issues, including a programme to protect the world's forests, United Nations steps towards conflict prevention, and the British-led scheme to establish an international criminal court.

The six-country Contact Group on the Balkans is also to meet during the summit to discuss whether to implement a block on investment in Yugoslavia because of its failure to return to democracy with Albanians in Kosovo. Russia opposes this move.

Annan gets frigid welcome in Kigali

Chris Simpson in Kigali

FIERCE attack on the United Nations by Rwanda's government greeted the UN Secretary-General, Kofi Annan, when he faced the country's national assembly yesterday to hear the world body accused of failing to stop the 1994 genocide.

Mr Annan spoke to the parliament of the need for "life even after genocide" and "love after hate".

But the country's foreign minister, Anastase Gasana, accused the UN of having overlooked successive pogroms against Tutsis in 1958, 1968 and 1973, and failing to anticipate the slaughter in 1994.

"It wasn't a lack of information which handicapped you, it was a lack of political will," Mr Gasana said.

In a question session, MPs also criticised Mr Annan's own role as head of UN peacekeeping operations at the New York headquarters in 1994.

Mr Gasana, who had met Mr Annan at Kigali airport earlier, called on the UN to hold its own inquiry into why it failed to prevent the genocide.

The secretary-general looked discomfited. But he stuck to his original speech text, calling for Rwanda to heal itself, while acknowledging that "the world failed the people of Rwanda".

Quizzed on his own role, Mr Annan said his recent remarks in Nairobi about "regretting nothing" had been taken out of context. He said he had done his best to encourage member states of the UN to take the genocide seriously, but the UN could not order countries to supply troops.

Rose Kabuye, an MP and genocide survivor, asked him the small contingent of UN peacekeeping troops which was in Rwanda at the time had abandoned the country. Mr Annan pointed out the sacrifices individual soldiers had made. "There are many people in Rwanda who owe their lives to some of these soldiers," he said.

Film idol seduces voters

Nick Cumming-Bruce on the Philippines presidential hopefuls

THE "hope of the masses", as his rock jingles promote him, leans forward on a podium as if confiding to buddies at the bar. A hand smooths back the quiffed hair, the mouth, framed by a Clark Gable moustache, tilts into a tough guy smile; and, as the warm-up rock music fades, he breaks into a crowd-rousing rhetoric with all the panache of a movie star.

Which is precisely what he used to be. And one of the reasons why Joseph Estrada, in a country that seems bewitched by stars of screen or sport, expects to emerge from next Monday's election as president of the Philippines.

The former movie idol hopes the mass allure of his Robin Hood-style roles, which has already carried him to the vice-presidency, will now beat José de Venecia, the candidate endorsed by the outgoing president, Fidel Ramos.

Eight other candidates have faded into the background.

Mr de Venecia, an old-style politician skilled in deal-making, has the formidable resources and financial resources of a president's nominee. Mr Estrada, though not without a campaign machine, counts on a mix of charisma and showbiz.

On the stage in Tarlac prances Nora Amor, a hugely popular former leading lady of Mr Estrada, to belt out

heart-stirring ballads over the public address system. The crowd surges forward, whistling and cheering. A roar greets Mr Estrada's entrance, and that of Fernando Poe Junior, another action-movie hero, who praises his old buddy as corruption-free.

Only later does Mr Estrada move on to shamelessly popular pledges. "We will make sure that every Filipino will eat three times a day, no Filipino will go hungry. I will put all the grafters in jail," he says, hammering a popular anti-corruption theme. And the closing punch line, used in town after town: "I will use the powers of the president to lift the Filipino people out of poverty."

Not all fall for the Estrada charm. "We'll see," is the terse riposte of a woman flanking the child on her shoulder to soothe his whining, the product of hunger, she says.

But to the dismay of government leaders and many of the country's affluent elite, the polls give a handsome lead to the college drop-out, better known for his appetite for women, whisky and gambling than for any grasp of business or world affairs, who will shape the fortunes of 70 million Filipinos.

Government leaders accuse Mr Estrada of direct links to the drugs trade. Detractors ridicule his shaky English —



Joseph Estrada, the favourite in next Monday's Philippines presidential election, is mobbed by supporters in Manila

he once said he could recall names easily, thanks to a "pornographic memory".

Manila's elite sneer that his advisers are opportunists with hardly a decent family name or old school tie between them.

His role model is Ronald Reagan. He much admires another college drop-out — John Major. He dines with business power-brokers crucial to his future success but largely leaves to others the task of try-

ing to present the image of a serious challenger with the intelligence and policies to lead the country. For that task he is backed by a bizarre coalition, from the son of the ex-dictator Ferdinand Marcos to the former Communist he drove underground.

Mr de Venecia, even his aides admit, has not an ounce of charisma. But he is fighting hard and winning support from some religious big battal-

ions, such as the Jesus Miracle Crusade. Tens of thousands of crusade followers turn out for rallies in the capital to watch its leader, Mr de Venecia, with "the power of the Lord" as disciples sob "Hallelujah, praise the Lord".

Mr de Venecia responds in kind, shouting: "I'm not going to bring God closer to the government, I'm going to bring the government closer to God."

Mr Estrada shrugs. "I've

been leading all the surveys for more than a year," he says, puffing a cigar. "How can they take my lead away?"

Joseph Estrada tried to calm a nervous business community yesterday by naming a veteran banker, Edgardo Espiritu, as his finance secretary, as the Social Weather Stations opinion poll said he had the backing of 33 per cent of those polled and José de Venecia 15 per cent.

PHOTOGRAPH: ROMEO GACAO

UN lifts Iraqi phantom travel ban

Mark Tran in New York

A TRAVEL ban on Iraqi officials who impeded United Nations weapons inspections came to an end yesterday after the chief UN arms inspector reported that Baghdad had granted his teams full access to suspect sites.

Richard Butler, head of the UN Special Commission (Unsc), told the Security Council on Wednesday that Iraq had allowed "immediate, unconditional and unrestricted access" to eight presidential sites.

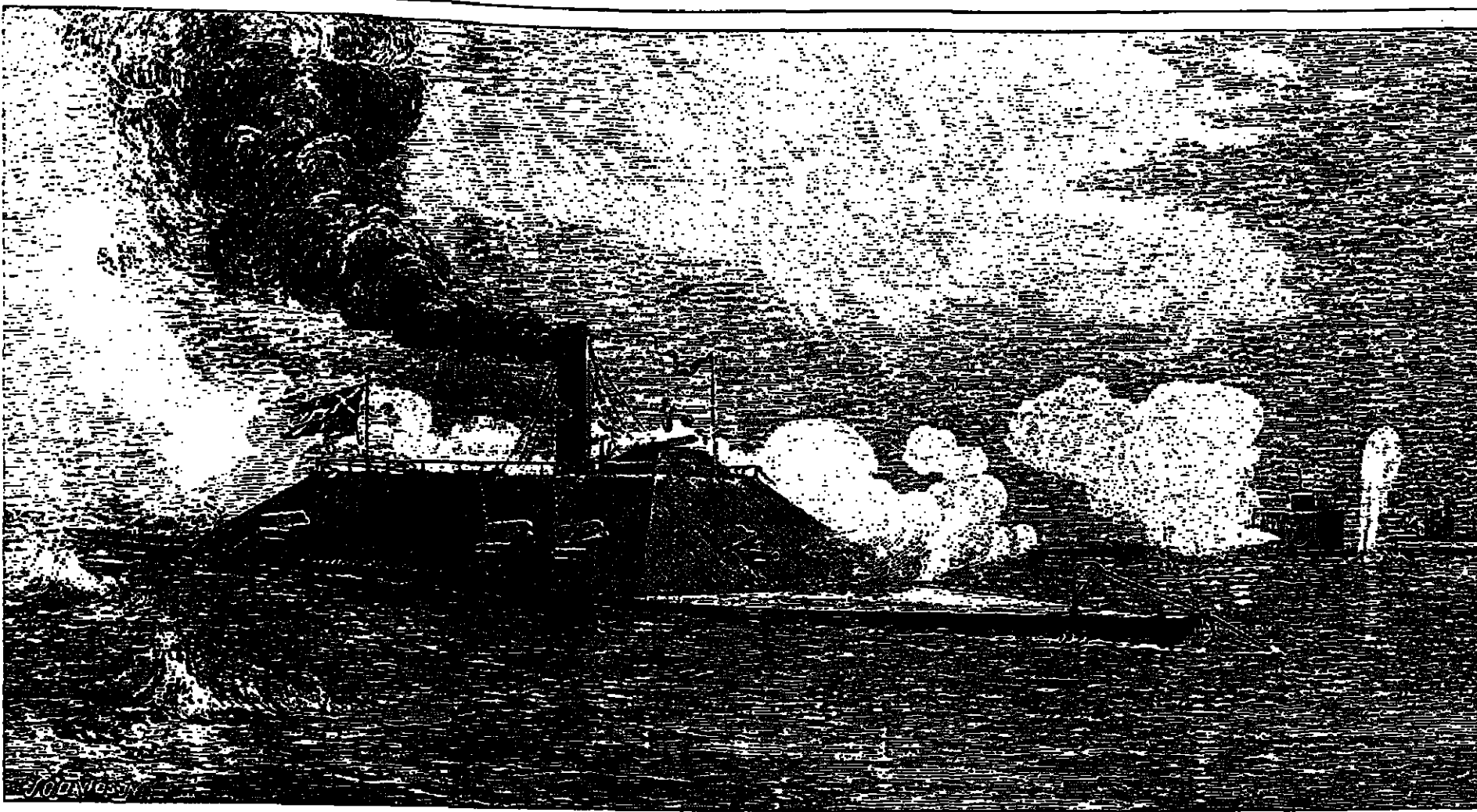
The travel ban, approved by the council last November, was never actually implemented, owing to disagreements in the council.

Diplomats said that the formal end of the ban was a carrot to encourage Iraqi co-operation with the UN. Mr Butler said in his letter that the UN was still waiting for Iraqi documents it asked for.

"Iraq has not yet provided access to records which had been requested previously by the commission and the issue of access to means of transportation and to officials the commission wishes to interview has not arisen."

Diplomats at the UN are bracing themselves for another confrontation between Iraq and the US and Britain. A stream of recent belated statements from Baghdad prompted one diplomat to comment: "They are stoking themselves up to do something silly."

The last crisis over arms inspections was defused when the UN secretary-general, Kofi Annan, reached an agreement with President Saddam Hussein on February 23. Under this, all sites — including eight presidential palaces — would be open to inspection.



An iron-clad vessel captures a Confederate ram during the American civil war. The first iron-clad battleship, the USS Monitor, enforced the North's blockade of the South

Hulk of historic battleship set for salvage

Martin Kettle in Washington on moves to raise the USS Monitor, an iron-clad vessel that revolutionised naval warfare

THE United States Congress is on the verge of deciding whether to finance the raising of the remains of a ship that revolutionised naval warfare from its watery grave off America's eastern coast. Since it overturned and sank in a storm off Cape Hatteras, North Carolina, in 1862, the USS Monitor has lain in 230ft of some of the strongest currents along America's Atlantic shoreline.

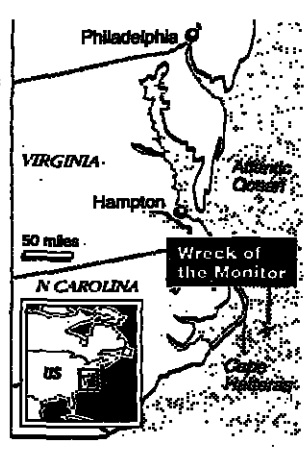
But the battered hulk was discovered by divers in 1973, and is now the focus

of an intricate \$22 million (£14 million) project to bring it back to the surface. In a seagoing life that lasted only a little longer than that of the Titanic, and ended on the floor of the same ocean, the iron-clad USS Monitor ended a tradition of naval warfare between wooden ships that had lasted from before the age of Alexander the Great until after Nelson's time.

As the first iron-clad vessel, equipped with a steam-driven propeller and a revolving gun turret, the Monitor defeated the Con-

federate navy during the American Civil War of the 1860s and ensured that the North's blockade of the South could not be broken. Some historians believe the ship was the decisive factor in the conflict's outcome. But the vessel also changed the way navies fought, sparking an arms race among the European powers to rebuild their navies. This race was, in turn, a major cause of the Anglo-German rivalries that contributed to the first world war.

The Monitor, built in New York, took part in one of the greatest sea battles of all time, an engagement with the South's more primitive wooden iron-clad ship the Virginia, formerly the USS Merrimack.



Their four-hour duel off the mouth of the Chesapeake Bay on March 9 1862 ended with the Virginia retiring from the fray with

'This is an American icon, like the Statue of Liberty. Its influence was felt around the world'

be a delicate operation because the vessel sank keel up and its innovative gun turret broke off. The turret is now trapped by the rest of the hull. The hull itself has been damaged by the ocean and by fishermen, and is disintegrating. As a result, the vessel would have to be raised in several pieces, which would then be reassembled for display in a museum at Newport News, Virginia.

The project leader, John Broadwater, hopes Congress will give the financial go-ahead before the end of next month.

"This is an American icon, like the Statue of Liberty," Mr Broadwater said. "Its influence was felt around the world."

First Lady widens rift with Israel

Martin Kettle in Washington

PRESIDENT Clinton's wife Hillary poured petrol on Washington's worsening relations with Israel over the Middle East peace process yesterday by declaring her support for the creation of a Palestinian state "on the same footing as other states". In a radio interview that will be seen by Palestinians and Israelis alike as a broader statement of White House sympathies, the First Lady went beyond official government policy by giving her backing to a "functioning modern" Palestinian state.

Speaking by satellite to a conference of young Israelis and Arabs in Switzerland, she said: "I think that it will be in the long-term interest of the Middle East for Palestine to be a state, to be a state that is responsible for its citizens' well-being, a state that has responsibility for providing education and health care and economic opportunity to its citizens."

The White House rushed to calm the anticipated storm by distancing itself from her comments. Mrs Clinton was expressing "a personal view", the presidential spokesman, Mike McCurry, said. "She was not reflecting any administration policy."

In Israel, the prime minister, Benjamin Netanyahu, said tersely: "Our position on this is well known."

The Israeli government, meanwhile, hardened its line against international efforts to persuade it to attend further peace talks in Washington next week.

The United States envoy, Dennis Ross, flew back to the region at Mr Netanyahu's request in advance of an Israeli cabinet decision on whether to attend next week's talks, but the prime minister's spokesman said in Jerusalem last night: "It is very unlikely that Mr Netanyahu will be going to Washington on Monday."

The row over Mrs Clinton's remarks came as Republican Party leaders, led by the Speaker of the House of Representatives, Newt Gingrich, openly urged Mr Netanyahu to spurn the US invitation.

Labelling President Clinton "pro-Arafat", Mr Gingrich said the White House was trying to "blackmail" Israel into the talks by insisting that its government must agree be-

forehand to withdraw from 13 per cent of the occupied West Bank. "It's become the Clinton administration and Arafat against Israel," Mr Gingrich said at a news conference on Wednesday.

In a letter to Mr Clinton, Mr Gingrich said "America's strong-arm tactics would send a clear signal to the supporters of terrorism that their murderous actions are an effective tool in forcing concessions from Israel".

A majority of the 435 members of the House of Representatives signed a letter to Mr Netanyahu saying that Israel should not accept the White House's withdrawal plan. One of the letter's authors, Congressman Eli Fuchs of New York, called the administration "stand 'nothing short of extortion'". Mr Clinton told a press conference on Wednesday there was "no way in the world" he wished to impose an agreement.

The moves are the latest evidence of the American Jewish lobby's successful mobilisation of the Clinton-hating Republican right to undermine the administration's Middle East peace moves. When Mr Netanyahu last visited Washington in January he pointedly devoted more time to cultivating Mr Clinton's rightwing enemies than improving his often acerbic relationship with the president.

Mr Ross's return to the Middle East came at the request of Mr Netanyahu in a telephone call to the US secretary of state, Madeleine Albright, in London yesterday. James Rubin, her spokesman, said Mrs Albright "hopes these final days' discussions can make it possible for a meeting to occur in Washington next Monday".

Mr Ross's trip was "an encouraging development", Mr McCurry said in Washington. Both sides "are now showing some creativity in the way they are addressing these issues, and looking for a way to bridge the gaps", he added.

Benjamin Netanyahu yesterday suspended coalition talks with the Molelet party, which advocates the "transfer" of Palestinians in Israel, the West Bank and Gaza to Arab countries. Mr Netanyahu's office said Molelet's chairman had requested the suspension. The party holds two seats in the 120-member parliament, where Mr Netanyahu's coalition has a 61-59 majority.

Unknown soldier to rise from grave for DNA tests

Our Correspondent in Washington

THE remains of the then unknown Vietnam war veteran who was interred with full military honours in the Tomb of the Unknowns in Arlington National Cemetery in 1984 are to be exhumed for possible identification, it was announced by the Pentagon yesterday.

The decision by the United States defence secretary, William Cohen, comes after a four-month Pentagon inquiry recommended the unprecedented action in a report last week.

The Pentagon spokesman Kenneth Bacon said Mr Cohen had reached his decision "after weighing the sanctity of the tomb with the need for the fullest possible accounting". Mr Bacon added: "If we can identify the remains now we have an obligation to try."

The decision to exhumate the remains to subject them to modern DNA identification techniques which were not in such common use in 1984 is the latest stage in the unfolding of a story which came to light as a result of a CBS television investigation in January. The documentary claimed

that the body, which was placed in the US's most sacred military shrine in a ceremony addressed by President Ronald Reagan, was in fact that of air force lieutenant Michael Bassie, who was shot down over An Loc in South Vietnam in May 1972.

The inscription on the Tomb of the Unknowns reads: "Here rests in honoured glory an American soldier known only to God."

But the documentary claimed that several Pentagon officials had been aware for several years of the soldier's identity. According to the pro-

gramme, the skeletal remains were found in October 1972 along with Bassie's identity card, some money and shreds of a pilot's suit. The remains were designated "believed to be" those of Michael Bassie. But the identity card and money later disappeared, and the remains were reclassified as "unknown" in 1980, at a time when pressure was mounting among Vietnam veterans for one of their number to be interred in Arlington alongside the bodies of unknown soldiers from the two world wars and the Korean war.

The Vietnam remains were placed in the tomb at Arlington cemetery in Virginia in 1984. There are other unidentified remains from earlier

years in separate crypts at the Arlington tomb. The site is considered hallowed ground, and has an honour guard posted 24 hours a day.

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Analysis Devolution

King Tony's turbulent Scots

The unbundling of Britain could begin sooner than anyone thinks, and largely because Scottish voters are proving pricklier and more intransigent than anyone predicted, in Downing Street circles anyway. **Ewen MacAskill and Michael White report**

GOVERNMENTS in difficulty behave like the rest of us. They look for a scapegoat. In Scotland, where a recent poll showed the Scottish Nationalists surging ahead of Labour, they are pointing a panicky finger at the press. The official Downing Street spokesman, the expatriate Scot, Alastair Campbell, famously referred to Scottish journalists as "anally retentive." Ministers take their cue from Campbell and recently criticism has grown. Only last week a member of Labour's inner circle described the Scottish media as "fierce and uncompromising," "hostile" and "rude".

But while they reserve their ire for the press their real concern is with public opinion. This week's Systems Three poll in the (Glasgow) Herald put them on 41 per cent, 5 points above Labour with the Tories on 11 and the Liberal Democrats on 10. Scotland On Sunday's ICM poll was cheerier (with Labour ahead by 47-27-16 and 9 per cent respectively), but alarm bells are ringing like mad.

The spectre of independence, seen only a year ago as a distant possibility, is taking on a definite shape and Labour is panicking. While Labour publicly blames the Scottish media, in private ministers and officials are making a much more considered and complex evaluation. In Downing Street, in Labour headquarters, in Millbank and at Westminster, Labour leaders express disappointment with the party in

Scotland, believing it has been too slack, too complacent and too disorganised, "a little encrusted, long in the tooth," as one key player puts it.

Meanwhile, under the leadership of Alex Salmond, the SNP has gradually been building its strength. On this week's showing that five-point lead would make them the second biggest party (the new hybrid voting system still gives Labour the edge) in next May's election to the new Scottish Parliament, providing a huge platform to the campaign for secession.

If the SNP rise were to continue over the next 12 months, it could even become the largest party and take control of the Parliament. As soon as the SNP becomes the dominant party it will hold an immediate referendum on independence. The break-up of the United Kingdom could thus be closer than has so far been realised. That is not an option in Wales which was administratively incorporated into England by the Tudors — no Act of Union in 1707 for them.

Comparisons between Wales and Scotland are often more interesting than illuminating, certainly where devolution is concerned. Plaid Cymru is much more a vehicle for Welsh cultural and linguistic ambitions than the SNP.

Yesterday Mr Davies was wrestling with the Welsh Labour executive over "twinning" — the concept whereby constituencies for the new assembly are twinned so that women candidates are assured of their share of seats. Imported from Scotland, where it caused no chauvinistic backlash, it was fiercely resisted in Labour's

Welsh Valley strongholds. The result was to kick it into touch until the Welsh party conference in Swansea next weekend. As in 1996 when Labour's "gender balance" approach was stopped by court action there is a legal problem. Mr Davies would not contest a law suit. It is said. The Scottish Secretary, Donald Dewar, could be forced to drop the policy too.

The two devolutions are very different, but very intertwined. The voting system was a Scots device. But voters would-be candidates came north from Wales. The Welsh Assembly register will also require assembly members to state if they are freemasons — another first which may spread. Like Mr Dewar, Mr Davies, plans to leave the cabinet table and (he hopes) lead the new Wales. On a checklist of problems, from twinning to the site of the assembly building, not to mention the closeness of last September's Welsh referendum majority, he can claim to have had the rougher ride.

Plaid's strategists believe their chance of political gains will come when Blair's honeymoon fades in a year or three. Meanwhile they stepped separation to encourage inroads into the English-speaking vote. Whenever Tony Blair crosses the Severn, it is said, he comes back reassured by his Labour loyalists. But why are the Scots proving to be so bolshie? One theory, being discussed in Downing Street circles, is that the Scots (like the London media) have got into the habit of being oppositionist. But there are other more credible and less patronising reasons.

MANY Labour dissidents argue that the Scots have traditionally been more left-wing and more collectivist and that is why Tony Blair's government stands accused of betrayal. The Scottish Office team has also had a run of self-inflicted adverse stories. From the repugnance that greeted its decision, which it later reversed, to transfer a sectarian murderer from a Scottish jail in Northern Ireland through to the farce over Sean Connery's disappearing knighthood, their news management has poor. More than any other issue, the controversy over welfare reform has gone down badly among Scots. The SNP has been able to capitalise on this disillusionment by positioning itself to the left of Labour. And its rise in the polls comes at a time when Tony Blair has been winning plaudits for his first year in office, when he is enjoying widespread respect for

negotiating the Northern Ireland settlement. Yet the rise can be overstated. It may turn out that it has peaked too soon. Labour remains a formidable machine. It has lots of resources and talent to throw at the SNP over the next year and beyond. By contrast, the SNP is run by a small team, with little financial support, and it relies heavily on one man, Alex Salmond, that is a strength but it leaves the party vulnerable should one of Annie Glog's Stagecoach buses run him over. The fundamental problem for the SNP is that support for independence is just not there. Scots, for all that they like to exaggerate their differences from their southern neighbours, have much more in common than they like to think. Health and education matter much more than constitutional reform. They know they get a good financial deal from London under the Barnett rules on public spending. Tories, eager to promote the "English backlash," warn that the deal could be in danger, especially in an SNP-dominated assembly deliberately

picks quarrels with Westminster. The SNP is a useful vehicle for protest votes. For some, it makes sense to have a Labour Government at Westminster and an SNP-dominated Scottish Parliament: a version of the US "split ticket" approach. But in the long-term, the Scottish Parliament does pose a threat to Britain. Salmond can indeed use it both as a platform to promote independence and to exacerbate tensions between Edinburgh and London. Some argue that the best way for Labour to tackle this is to move towards a federal system. The Deputy Prime Minister, John Prescott, has long favoured regional assemblies for England. Jack Straw, as shadow home secretary, watered down his proposals. Wales will have an assembly with no legislative powers and fewer executive ones than

Scotland. Northern Ireland's new assembly will be the generic, with a cross-border dimension involving another sovereign state. The unbundling of Britain is taking unexpected shapes. That makes English regionalism look less eccentric than when Michael Foot published a (very) thin paper on the subject in 1976. Labour is now looking seriously at how quickly an assembly for the North-east of England can be established. The advantage would be to end the Scots sense of isolation by having a comparable assembly on its doorstep, a competitor for inward investment, someone to do business with. That

could help bind the Union until such time as regional assemblies can be established elsewhere in England and some kind of federal system is in place. Without the Scots may well go their own way.

Sources: (1) The Herald, Systeme Three, May 6th 1998; (2) Jason Campbell knifed a Celtic supporter in Glasgow; (3) John Prescott's assorted pamphlets; (4) Scotland's Parliament, Scottish Office Online; (5) Scotland On Sunday; The Herald, Glasgow; (6) Paddy Allen; Steve Villiers; (7) Matt Keating; (8) Ewen MacAskill and Michael White are Guardian political correspondents.



Playboy, a power in the land 12

The election process

Electors elect 73 constituency MSPs and 53 additional MSPs for a party of their choice.

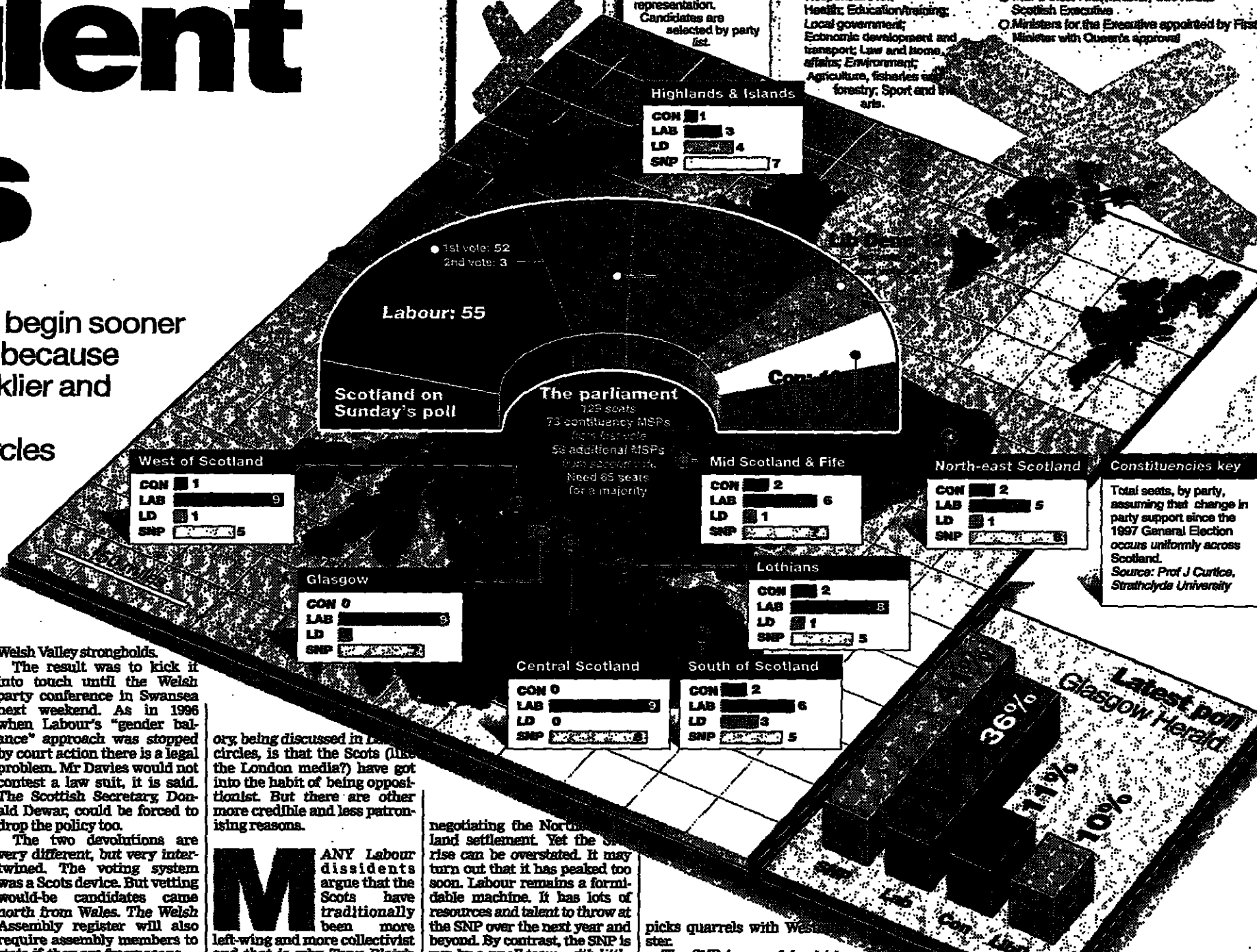


New order

With the Scottish Parliament's inception only a year away, recent opinion polls indicate that Labour's dominance north of the border is weakening. Polls put the Scottish National Party ahead. Downing Street is optimistic, but what implications do these have for the elections next autumn?

Who does what?
Westminster
Responsible for:
UK constitution; Foreign policy; Defence; National security; Fiscal, economic and monetary policy; Common markets; Employment legislation; Social security.
Scottish Parliament
Responsible for:
Health; Education; Housing; Local government; Economic development and transport; Law and home affairs; Environment; Agriculture, fisheries and forestry; Sport and leisure.

The honourable members
MSPs: Member of the Scottish Parliament.
Members elected for a fixed term of 4 years.
MSPs may also be a member of the UK or European Parliaments, or a local authority councillor.
Parliament can be dissolved before 4 years are up by a two-third majority, or 71 MPs to elect a First Minister.
Ministers
MSPs elect First Minister, who heads Scottish Executive.
Ministers for the Executive appointed by First Minister with Queen's approval.



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Comment

Diary

Matthew Norman

Uri Geller shall go to the ball (or touch it, at least) after all. He may be persona non grata with the England football squad now that Glenn Hoddie is suing him over claims connected with arcane psychic practices, but on Monday Uri will make his contribution to the World Cup effort anyway, when a BBC tribute show to dear old John Motson is recorded. I call Uri on his mobile, and mention the positive energy flowing from the number "Yes," he confirms, "it's the four ones in the middle. Eleven eleven is my gateway to the mysteries of the universe." Mine too. Now the show: "It's called the Full Motty. I will not on at the end to hold up the orange ball from the 1966 World Cup final, and invite the millions viewing to touch the screen." Tony Banks and fellow comedian Jimmy Tarbuck will be there, and Vixxy Jones will sing a tribute song to Motson. One notable figure will be absent, though. The Under 21 team is playing next week, apparently, and Glenn Hoddie insists that he is unable to spare the time. Min.

I AM relieved to learn that the passionate affair between Rupert Murdoch and the Government shows no sign of cooling. At a Press Complaints Commission reception on Wednesday night at the London Aquarium, Jack Straw was ushered into the tycoon's presence for a little pep talk. "Congratulations," said Rupert, "I think you're doing a wonderful job. I follow what you're doing every day." (follow? the man's modesty does him credit). "You're doing a marvellous job. I hope you don't let it make you want to weep?"

JON Snow must have had mixed feelings when he interviewed Marc de Beaufort — producer of the fake Milton documentary on drug trafficking — on Channel 4 News on Wednesday. He was on an Institute for the Study of Drugs Dependency award panel that gave the show a prize last year. "I did mention it to him, I'm sure," says Snow, "but he wasn't much interested. At that stage he was sticking to his story. I think the ISDD are considering withdrawing the award now." I should bleed in well think they are. "You're from the Diary, eh." Snowy continues, pensively. "You're going to cover me in on it's suppose. Well, I don't mind. Eggs away." A great man, and he remains eggless on our account.

YIDDISHER mommas are famously difficult to please, as Simon Kelnor might confirm. Simon, the first Jewish boy ever to edit a daily broadsheet, rang his mother in Manchester last week to relay the good news of his appointment. "Mum, he said, 'I've been appointed editor of the Independent.'" "Why are you going back there?" she replied. "But I've been made editor." "What happened to Rosie Boycott?" asked Mrs K. "Rosie's gone to the Express." Mrs Kelnor paused for a moment. "She's done well," she said.

ROSIE, meanwhile, may soon be reunited with an old friend, Andrew Marr, with whom she enjoyed a brief but sparky working relationship at the Independent, is pondering her offer to write for the Express. "I'm talking to various people at the moment," says Andy. "I just want a decent place or two to write in, and I'd quite like to do a tabloid." Can't work with her, to borrow a phrase from the Blues Brothers, can't work without her.

THE Diary is pleased to announce a new service. Readers who wish to be reunited with friends they haven't seen for years should send the details, and we will ask for sightings (it worked splendidly, you may recall, with Kenny Ball, not to mention his Jazzmen). We begin today with an appeal for a certain Tony Bush. Last seen in Hertfordshire in the early 1980s, Mr Bush was a successful antique dealer with a Rod Stewart haircut. Tony himself, or anyone who knows his whereabouts, is invited to contact us, in strict confidence.



Big business are playing at being teacher. They're up to something

Decca Aitkenhead



IN THIS era of confessional columnists, perhaps it is only right to confess that I have a tendency to leave my hair to its own devices. Not a particularly noteworthy detail, you would have thought. I only mention it because this week the London Evening Standard devoted a double-page spread to the scandal of a left-wing teacher who is opposed, on "obscure ideological grounds", to a \$5 million "grant" for school children. The first thing the paper told us, though, was that she neglected to style her hair. It also mentioned, en passant, that her political persuasions make her "basically mad".

It turns out that the teacher in question had had the temerity to call a public meeting to debate opposition to Education Action Zones. Her local authority, Newham, in east London, is one of 60 authorities finalising their bids for zone status: the first 12 will be awarded next month. These are part of the Government's third way, an extravagant example of "tearing up the rule book" and "going with what works". The principle is fairly simple. Lots of schools are failing. Lots of businesses are working. Why not get successful businesses in to see if they can make schools work? Only somebody basically mad could object.

Newham council has been commendably busy getting its bid together. It has persuaded companies like IBM, British Telecom and Arbutus Anderson to contribute over \$1.5 million of goods and services, with more money coming from the public sector. It will be spent on computers, teachers, Saturday schools, summer camps, parenting programmes, mentoring — anything and everything, in fact, if it will raise standards

in the 18 schools included in the zone. The zone can decide what's taught, how it's taught, when it's taught, and who teaches it, as it sees fit. All this will be decided by a forum of teachers, governors, and business people from the firms contributing most money. The council says the teachers are right behind the bid, and the head I met this week was certainly enthusiastic. She runs a big primary school, but can't get people to teach there; more than a third of her staff are supply teachers. The community struggles with high unemployment, poor housing, homes where English isn't spoken. "The area," she smiles thinly, "is regarded as being more challenging." If a zone status is going to attract staff, it's fine by her. "It's not a question of money." If her school becomes part of a zone, there seems a good chance that she'll fill the posts. The zone will be an exciting prospect. So what's the problem with business people having a major say in how her school would be run? The head can't think of one. She says she hasn't thought about that at all. Quite reasonably, she's too busy thinking about her pupils and those empty posts.

Fortunately, some people have given a lot of thought, principally in America, where the idea comes from. One example is a study of Channel One, a news station which many American schools agreed to broadcast in class for 10 minutes a day, in return for a satellite dish, videos, and as many TVs as they wanted. Included in the broadcast were adverts aimed at teenagers. The study found the children no better informed than their contemporaries; they were, on the

other hand, far more likely to agree with these propositions: I want what I see advertised; designer labels make a difference; a nice car is more important than school. The man behind Channel One now manages the Edison Project, a private firm which runs 26 American schools on behalf of the taxpayer. It is currently involved in four of the British bids for EAZs; Blunkert has said he would like at least one zone to be managed by a private firm, and Edison would be just the firm for the job. The right-wing Social Market Foundation has just carried out a study of the 60 bids and discovered, much to its dismay, that they are all being led by local authorities. In other words, the Edison Project and other firms remain in the back seat at this stage, and overall control of the zones will still lie in democratically elected hands. The privatised American model remains some way off. For the moment, we are dealing with models like that in Newham, which is temporarily reassuring, but nonetheless far from ideal.

If Newham wins its bid, two executives from corporations will have a direct say in how children are taught. What do BT executives know about the needs of an eight-year-old? They know a lot about the needs of their shareholders, whose interests they have a legal duty to serve, but it is not clear that an eight-year-old's best interests lie in being trained up to suit BT, given extended work experience instead of an education, or being exposed to intensive product placement and consumer brand loyalty lessons.

Corporations would dis-

miss such thoughts as cynical suspicions. Of course they share a legitimate interest in the education and welfare of young people, the quality of life of the area and so forth. There is no conflict of interest, no exploitation. But you need only walk out on to the street in east London to get a hint that the interests do not coincide: in such fortuitous harmony. If they did, children in the playgrounds would not be suffering from asthma, caused by pollution from big companies who have fought doggedly against taxes to clean up the air they have ruined.

There is a lot to be said for zones which will experiment with new ideas, escape the straitjacket of the national curriculum, involve outside agencies in mentoring and other projects, get schools together to share ideas rather than compete with one other. There is a lot to be said for offering teachers incentives to work in disadvantaged areas. There is a lot to be said for charming donations of cash and expertise out of companies, and for government to channel extra funds to low-achieving schools. There is a lot to be said for making teaching a highly respected profession again, and for ending the prejudice which allows newspapers to regard unkempt hair as the cardinal sin of a tatty occupation.

All this could be done with Education Action Zones, without giving private companies control of public education. If Labour was less in awe of them, it would have done so. As it stands, big businesses are getting mini-consumers and tailor-made future workers in return for a few thousand quids worth of computers. No wonder they're so keen on the idea.

The power of Playboy

Bill Buford



WHEN I was growing up in a suburb of Los Angeles around 1968, the most powerful magazine within my reach wasn't, say, the New Yorker. It wasn't Rolling Stone, even though it had Hunter S Thompson and Tom Wolfe, and the first accounts of the Grateful Dead, the Jefferson Airplane, and all those heavy Haight-Ashbury bands. It wasn't Oz or Id, or Fuck or Suck, or Dick or Duck, or Rut or Butt, or any of the other monosyllabic in-your-face underground publications which, for all their energy never had quite enough "go" to reach the outer reaches of the suburbs. It was Playboy. Playboy was what I discovered my father was reading as soon as I reached the age when I saw there were rewards to be gained by prowling around my parents' bedroom. I found it hidden underneath the bed — late-night reading before the light was turned off. How did Playboy figure in my parents' marriage? It was acknowledged by them only once, and that was in a row, very late at night. I saw its power, feeding my father's fantasies (and why else would he read it?) and my mother's insecurities (because, how it could it not?) Playboy represented the upheaval of the time. On some essential level, it was evil and was, therefore, a very attractive publication.

LAST week, I was attending the annual banquet of the American National Magazine Awards at the Waldorf Astoria hotel. There are awards for reporting, photography, fiction, overall achievement — that sort of thing. At a nearby table, I spotted a woman of stunning beauty — statuesque, blonde, upright — sitting next to a much older man, thick-waisted and grey and wearing an over-elaborate arched suit, a variation on a dinner jacket. The man was fingering the woman's ear. The gesture wasn't erotic; it was too mechanical. In fact, it looked from my vantage place, as though the ear was not an ear, but a knob, which the older man, some publishing magnate, was cranking. It made me think of the doll in The Tales of Hoffmann — irresistible, but needing to be wound up every time she winds down. What an old-fashioned, peculiar sight: an ageing publisher and his wind-up doll for a date. Then I realised who it was. Hugh Hefner was here to receive a lifetime achievement award, and the wind-up doll was no

doll but the mother of his two children who, five or six years old, started crawling on their 72-year-old father's lap once dessert was served. The society gave another lifetime achievement award to Gloria Steinem. Is this the first time that Hefner and Steinem have been on the same stage? Steinem is the founder of Ms magazine (and the inventor of the Ms term of address — no small feat of achievement). In her time, she was also a one-time undercover Playboy bunny and, since the appearance of the piece she wrote about the experience, has been Hefner's nemesis. After the awards, they refused to be photographed together. What makes a great magazine? This thing is a modest young creation. Both books and newspapers have been, more or less, the same for more than 200 years, but the American magazine is really a creature of the 20th century. And the great ones engage with the culture in ways that their editors cannot predict or duplicate. They find themselves in the middle of history and they don't even know it. Ms, briefly, Rolling Stone, in its heyday, ostensibly a music magazine, but its journalism had little to do with the music. A different kind of connection was being made. Could the editor articulate what that something was? Could he duplicate it? And then there's Playboy.

I've been going through old copies. I was surprised to learn how many of Ian Fleming's novels were serialised in the magazine — On Her Majesty's Service, You Only Live Twice, The Man With The Golden Gun. But then James Bond embodied the cartoon sensibility of the magazine whose appeal, unlike the boy magazines of today, was to

I hold Playboy responsible for the sports car my father crashed

the executive male. The pictures of the Playboy reader — circa 1965 — show men attending business meetings, getting on airplanes, making a deposit at a bank that looks suggestively Swiss. At play, they are shown driving sports cars, drinking with pretty women. It's not a bachelor's life; if anything, it's the life of the married man living like a bachelor, who can have it all. Playboy, I've recently come to conclude, was probably the single most influential thing in the life of my father. I hold Playboy responsible for the sports car he crashed, the holiday he crashed, the swimming pool, and the dancing lessons that resulted in a miscalculated play on a drunken New Year's Eve. I hold the aborted attempt at removing the bra from our neighbour, Mrs Weinert, my mother holds the magazine responsible for their divorce.

A new press law should cover privacy, harassment, factual accuracy and ownership

Regulating Murdoch

Clive Soley

WHEN the Competition Bill returns to the Commons on Monday, there will doubtless be sustained attacks on Rupert Murdoch. These may well be justified in terms of the lowering of journalistic standards for which his companies have been responsible, but it would be wrong to concentrate on one individual to the exclusion of the wider argument about media ownership and standards.

With or without amendment, it is doubtful that the Bill can prevent Murdoch's Times from price-cutting to apply pressure on the Independent and Telegraph. The TetraPak judgment in Europe, which ruled that any firm which lowers its price below its average variable cost is guilty of predatory pricing, suggests

there is a standard which courts can set. But it's not so simple when the product is but one of several brands under the same ownership — is the Times's price cut just a loss leader, or predatory pricing?

Apart from the undesirability of singling out one industry in such a wide-ranging Bill, I am not convinced that such an approach would lead to higher Times prices, or increase the chances of the Independent's survival. The ultimate threat to media freedom is increasing ownership and control by a shrinking number of global empires, of which News International is but one. If we don't act soon there is a real danger that the production and distribution of all significant national and international news will be in the hands of half a dozen people, and the implications for healthy de-

mocracy should be obvious. If it pays to act as Rupert Murdoch has done — attempting to suppress a book to please the Chinese Communists, or deny the BBC the use of Asia's Star satellite — then it will happen.

We need effective regulation of the media, for their

There is a danger that global news will be in the hands of half a dozen people

power of abuse is too great to do otherwise. But there is currently over-regulation of the media via many restrictive laws, including libel, which do little to protect the rights of the public or defend true investigative journalism. At present we

are placing faith in the ability of judges to balance privacy against freedom of expression. Privacy — seen in this country as the preserve of the rich and powerful — has been driving the argument on press legislation for at least the last 6 years.

We need a single law which explicitly links freedom and responsibility in the media. Its first clause would be a clear defence of press freedom against which other clauses and indeed other laws would be judged. Subsequent clauses could then deal with privacy, harassment, factual accuracy and ownership. Harassment must be included. It is not only media superstars like Diana who are hounded for stories of dubious news value; there was the recent harassment of Mary Bell and her daughter, and the son of the helicopter winchman who

died in a North Sea rescue had to plead to be left alone to grieve. The Press Complaints Commission, reactive rather than proactive, is too weak to prevent abuses of this type.

And there can be no justification for excluding fac-

tual accuracy for the press from regulation. That approach presents no obstacles for broadcasting. It is the confusion of fact and opinion that is such a problem for the British press. The new law could include a requirement for the



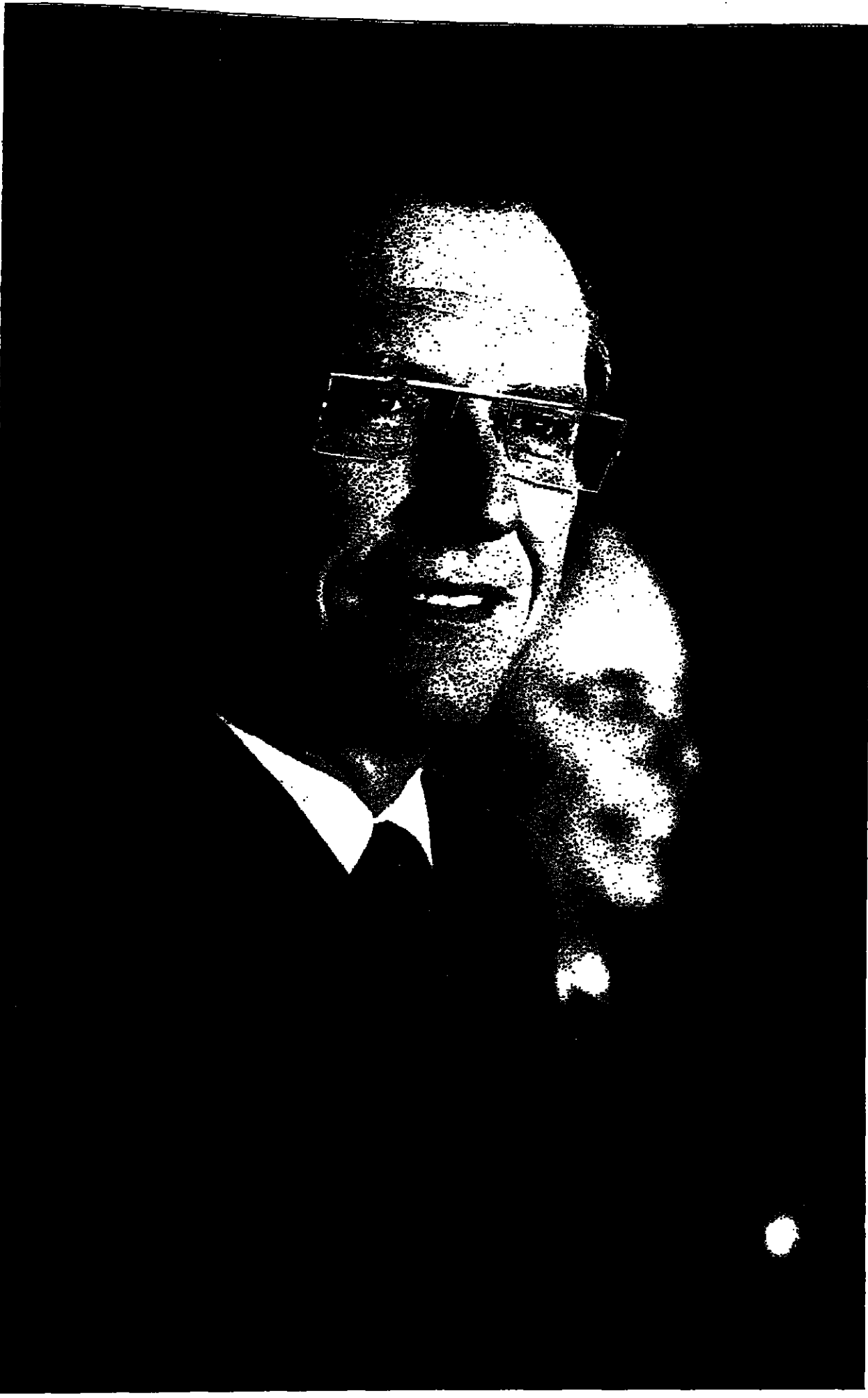
Office of Fair Trading to investigate ownership and pricing. A specific law defining press freedom would send a signal about the importance of diversity which in turn would make it easier to tackle ownership and give the OFT criteria on which to judge anti-competitive practices. The news company that is first to publish its own code of ethical journalism could steal a march on those who deny the need for reform, and I think the time is right to move in this direction: perhaps the Association of British Editors could lead the way? It would be a dismal epitaph for all those who have lost their lives in this argument focus too narrowly on the ability of a few high profile owners to make profit out of trivia.

Clive Soley MP is chairman of the Parliamentary Labour Party

Number of manufacturers to halve □ Daimler-Benz seals £55.5bn Chrysler deal

Merge or die - car chief

RBS to allow £60m for Asia



Daimler-Benz chief Jürgen Schrempp and Chrysler chairman Robert Eaton in London yesterday PHOTOGRAPH: TOM JENKINS

Nicholas Barnister
Chief Business
Correspondent

THE NUMBER of car manufacturers will halve within the next 10 years as the industry is forced to consolidate, Daimler-Benz's chief executive, Jürgen Schrempp, said yesterday. His forecast came as Daimler-Benz and Chrysler confirmed they had agreed a merger to create a £55.5 billion global automotive giant. Mr Schrempp said the deal, the world's largest industrial merger, was bound to be copied by other motor groups. "Over the past 30 years, the number of producers has fallen from 42 to less than 20," he said. There were likely to be just nine or 10 survivors 10 years from now. Mr Schrempp and Chrysler chairman Robert Eaton, at a press conference in London, said they expected the merger to generate £14 billion of savings in 1999, rising to \$3 billion within the next three to five years. Suppliers are likely to be the first to feel the squeeze, with the new group aiming to cut the \$60 million spent each year on

components by half a per cent. The two companies said savings would come from shared technology, common purchasing power and shared distribution logistics. However they insisted jobs would not be at risk. "We estimate that with our combined strength, we will... create jobs on both sides of the Atlantic," Mr Schrempp said. He said the merger would bring together Daimler-Benz's engineering expertise and Chrysler's "excellent low cost manufacturing". Both companies aim to boost exports, not only Chrysler products to Europe and Daimler-Benz vehicles to the US but also to other markets such as Asia and Latin America. Mr Schrempp rejected suggestions that Daimler-Benz's non-automotive operations, such as aerospace and railway systems, would be sold. He is to become sole chairman and chief executive of the new group after sharing the roles with Mr Eaton for three years. Daimler-Benz shareholders will end up owning 57 per cent of the new business and Chrysler shareholders 43 per cent. American and European

shareholders will each account for 44 per cent of the shares, with the remaining 12 per cent held more widely. Chrysler and Daimler-Benz shareholders will exchange their shares for shares in a new German-based company, DaimlerChrysler AG. If the merger wins shareholder approval, it is likely to be completed by the end of the year to create a company with annual sales of \$120 billion, profits of \$15 billion, capital expenditure and research and development spending of \$16 billion and 421,000 employees. There will be two operation headquarters in Stuttgart, Germany, and Auburn Hills, Michigan, in the US. A spokesman said that the issue of balancing executive remuneration would be decided by the new group's remuneration committee. The current Chrysler executives have more lucrative pay deals, including extensive share options. Mr Eaton said that the new group would continue Chrysler's policy of returning surplus cash to shareholders. This meant Daimler-Benz shareholders would probably receive double the dividend they were used to.

Pauline Springett

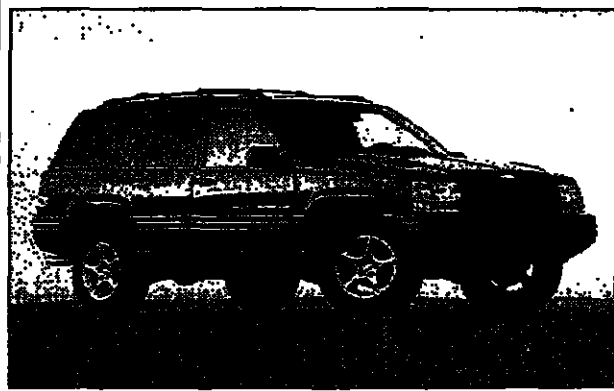
ROYAL Bank of Scotland yesterday revealed it had increased its provision for the impact of the Asian economic crisis by \$23 million to \$50 million. But RBS's chief executive, Dr George Mathewson, said that, far from pulling out of Asia, now was the right time to look for business opportunities, particularly in Indonesia where the bank has operated for 25 years. "We have good connections. We've been there for a long time. It should be possible to make money on the upturn," he said. Dr Mathewson was speaking as RBS unveiled a better than expected set of half year figures, with pre-tax profits up by 21 per cent to \$448 million. Profit from the UK bank rose by 25 per cent to \$461 million before provisions. Dr Mathewson said the UK was buoyant and that there was no sign of any credit crisis, although he acknowledged that the bank is cautious with its lending. He added that RBS's new enterprises, including its banking venture with Tesco, were doing well. Some 600,000 people have now signed up with the Tesco bank in which RBS has a 51 per cent stake. Dr Mathewson said that he expected the operation to move into profit by the year 2000. Dr Mathewson appeared equally relaxed about the continuing speculation over the fate of its bid for the Birmingham Midshires building society. "Anything could happen over the next few months," he said. "We will be driven by what's best for our shareholders. It is not something that occupies my time."

Brands to avoid collision course

DAIMLER-BENZ and Chrysler yesterday described their merger plan as a perfect marriage, with the only real product overlap in the four-wheel drive recreational vehicle market, writes Nicholas Barnister. The German company's Mercedes "M" class vehicle is seen to clash with Chrysler's Jeep Grand Cherokee. However the heads of both companies insisted that brands would be kept separate, even though technology and components would probably be exchanged. Chrysler is known for its Chrysler, Plymouth, Dodge and Jeep ranges, while Daimler-Benz's motor reputation is built on the Mercedes. At a time when the motor industry is concentrating on reducing the number of basic vehicle platforms they build on, the companies have an immediate plan to co-operate on common platforms. Chrysler chairman Robert Eaton said each company was already developing new models and common platforms would be four or five years down the line. Each company intends to



The 'M' Class and the Cherokee, thought to be the only overlapping brands in the 'perfect marriage'



continue with its existing dealership networks in Europe and the United States. Only new dealerships, probably outside those home markets, were likely to consider marketing products from both outfits. Last year Mercedes exported about 122,000 cars to the US, while Chrysler exported about 100,000 cars to Europe. Chrysler is very strong in the mini-van and light truck area while Daimler-Benz is particularly strong in the truck market. Daimler-Benz's chief executive, Jürgen Schrempp, acknowledged that Chrysler was strong in the sports utility-vehicle market, an area where his company was only just starting.

RBS's £830 million agreed bid for the building society was halted after a higher offer of £780 million from Halifax, Britain's biggest mortgage lender. However, RBS has an exclusivity clause with Birmingham Midshires which extends until December so the wrangle may not be resolved until then. Elsewhere, profit at the bank's US operation, Citizens, grew by 30 per cent to £108 million. RBS's commitment to Citizens has been regularly challenged by analysts. Dr Mathewson gave no guarantees for the future, but said that, given Citizens' current performance, selling up would scarcely be in shareholders' best interests. Direct Line, RBS's insurance arm, saw a modest £2 million profit rise to £10 million. Ian Chippendale, Direct Line's group chief executive, said that the continuing intense competition in motor insurance had kept rates low, although they were starting to rise slowly.

Germany defends its debt-relief record

Bonn has done more than Britain, minister tells aid agency. **Charlotte Denny reports**

THE German government wheeled out its big guns yesterday in an attempt to persuade British aid agencies that Germany is a strong supporter of international plans to cut debt in the Third World. At a special meeting in London, yesterday, Mr Stark told representatives from Christian Aid and Jubilee 2000 — which is campaigning to clear the debts of the world's poorest countries by the millennium — that Germany's record on debt forgiveness for the world's poorest countries is better than Britain's. In a statement, which he read out to the aid agencies, Mr Stark said that while Germany has forgiven \$5 billion (£3 billion) of debt Britain has only cancelled \$2 billion for

the most severely affected countries. "Germany has already made a substantial contribution to reduce their debt burdens. This is evident especially in comparison to countries with a more distinctive history as colonial powers."

Germany should be leading way on cutting the burden — Christian Aid

But the aid agencies say Germany's opposition to selling off international Monetary Fund gold reserves to fund the World Bank's debt-relief programme is hindering progress of the initiative to help highly indebted poor countries. They want substantial creditors like Germany and the UK to agree to more generous debt relief than is on offer. Mr Stark reaffirmed his country's opposition to gold sales yesterday, saying the fund should only consider the measure if the stability of the international financial sys-

tems were threatened by debt defaults. But he promised the agencies that he would push debt relief to the top of the agenda at the Group of Seven meeting next weekend in Birmingham. Christian Aid spokesman Andrew Simms said the agencies were impressed that Mr Stark was prepared to listen to their concerns. "But we'll be even more impressed if there was a substantive improvement in their position."

Underside

Dan Atkinson

HOT from his final ceremony as G7 finance supremo in Jakarta, Gordon Brown, the Chancellor, and his entourage headed into a bar with a group from the British Embassy, awaiting take-off. Enter a bell-boy, parading a blackboard bearing the message: "Can Mr Gordon please phone Mr Tony urgently?" (They don't go much on the first-name/surname distinction over there). And what was the urgent message all about? No-one was telling.

BACK home, Peter Gorman, the freelance journalist who scooped Kenneth Clarke's

Three Pints Budget at the end of '98, is turning his thoughts once again to matters financial with the release this week by his Vision publishing house of *The Prawn Cocktail Party* (£2.99), a salvo of deadly snipe fire from the pen of



veteran troublemaker Robin Ramsay aimed at the sizzling love-affair between New Labour and the Square Mile. The thesis? Big Finance has pursued a single-minded agenda since the war to unlock all constraints. The moment New Labour showed itself willing to go along with this Houdini act, it was declared respectable. The rest you know.

OVER at the Department of Trade and Industry, President Beckett's impeccably new man adviser Dan Corry prepares to take wife and kids on holiday in France. Imagine the scene: Mr C in designer blouses sharing the earthy peasant culture with his nearest and dearest. Actually, don't. Two words summarise our Dan's main motivation in

going continental: World Cup.

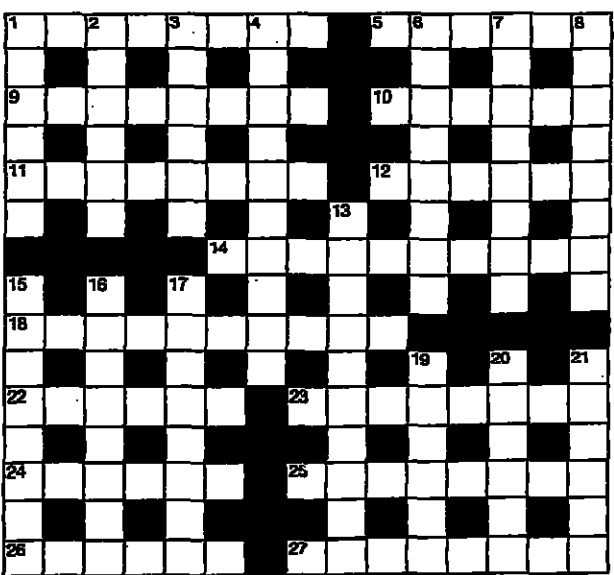
ELSEWHERE in the sporting sphere, company jollies are less relaxed than they once were. The Centre for High Performance and Development (sister-body to the Centre for Low Performance and Regression), a management-training mob, is planning a sailing day from Gosport to Cowes on board Group 4, the winning yacht in BT's interminable Global Challenge race. Would-be Francis Chichesters are reassured that "the sailing is designed to be non-threatening". But the timetable is rather strict. At 1600hrs, for instance, the vessel returns to Gosport. At 1601 precisely, there will be "Tea and Scones on Board". Swallows and Amazons was never like this.

ON the topic of snack foods, Hazelwood (a man of letters) invites us to the opening of its "state of the art" sandwich factory in Park Royal, where once was made London's mighty Roulmaster bus. Guess who's opening the factory? Yep, the 11th Earl of Sandwich. They say this will be a highlight of British Sandwich week. Don't ever change.

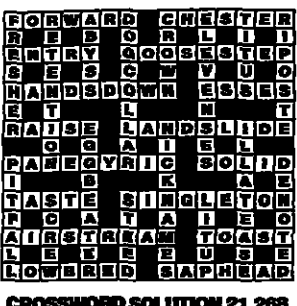
BITTER'n twisted on the rocks barman (cont.) from sources close to the Laughing Dome: T Blair and The Pope row a boat to the middle of a lake. The Pope drops his oar. TB continues to row, but the boat circulates. Time to collect other oars. Our Leader walks across the lake and resumes the Holy Father's oar. And the Guardian headline? "PM can't swim".

Guardian Crossword No 21,269

Set by Logodaedalus



- Across**
- 1 Some linger on; I'm off, says this Indian chief (8)
 - 5 Shamel it's going West, good mother (8)
 - 9 Large amount of cooked tuna sandwiched by doctor at home (8)
 - 10 One with unbending behind (8)
 - 11 Unemployment I had reduced around the North East (8)
 - 12 Being one hundred and seventeen, yet having no key (8)
 - 14,22 Famous dances of passion? Good gracious! (5,5,4)
 - 15 Pudding makes you nearly go pale with an animal disorder (10)
 - 22 See 14
 - 23 Fitter is no good in foreign resort (8)
 - 24 Imaginary world body with kingdom cut off (8)
 - 25 Those in queue might experience this giant owl fluttering (4,4)
 - 26 Journalist stops functioning in circular movements (8)
 - 27 Stopped to lie down when embraced by a leftie (8)
- Down**
- 1 Opening and finally closing compass (8)
 - 2 Money that is red or blue perhaps (8)
 - 3 Teachers look down on worker nodding (8)
 - 4 Horse to accommodate in street in the morning and all that jazz? (10)
 - 6 Try the underground — it's synthetic (4,4)
 - 7 Inexperienced pilot destroys your garden plants! (8)
 - 8 Recorder makes Girl of the Five Towns lean to one side (8)
 - 13,19 Guiltily silent, are you? (3,3,4,6)
 - 15 Perfect time to cut up a crumpled blouse (8)

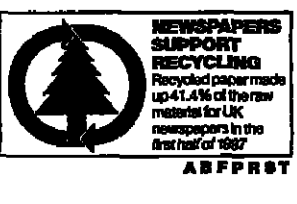


CROSSWORD SOLUTION 21,269

- 16 Dismissed following empty talk, like a boiler? (3-5)
- 17 Head covering, one displayed by Capone (8)
- 18 See 15
- 20 Shocked to have unending quicksilver on top (8)
- 21 First of carrots valued in a packing case (8)

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New twist in SFO inquiry



Parkhead Hall in Sheffield was the headquarters of the collapsed Facia chain, which was led by Stephen Hinchliffe (left)



MAIN PHOTOGRAPH: ROSS PARRY

Facia boss quizzed

Paul Farrelly and
Dan Atkinson

FACIA retailing whizz-kid Stephen Hinchliffe was yesterday being questioned in Sheffield by investigators from the Serious Fraud Office inquiring into the collapse of his Facia high-street empire in June 1996. The SFO team was due to return to London today.

Also questioned was Christopher Harrison, Mr Hinchliffe's long-time right-hand man and Facia's former finance director. The SFO's "talk-or-else" Section 2 pow-

ers were not used; both men were interviewed with right to silence, and officers of South Yorkshire Police were also present.

The questioning marked the latest stage in an SFO inquiry stretching back to August 1996. Derek Couling and Duncan Smith represented the SFO, with the South Yorkshire Police represented by acting Detective Chief Inspector Clive Barnes.

Facia swept up a number of household names during its rapid expansion from 1994. They included Sock Shop, the fashion chain Red or Dead, Contessa lingerie, Salisbury's luggage and shoe shops from

the Sears chain — Saxone, Curtees and Freeman Hardy Willis. In a short space of time, Facia boasted 850 stores with a payroll of 6,000 staff.

In June 1996, Facia crashed with debts of more than £70 million, including £35 million owed to retail chain Sears.

The SFO and South Yorkshire Police raided Mr Hinchliffe's offices and Sheffield mansion home, removing van-loads of documents.

In a parallel inquiry into the lending activities of the London branch of Israel's United Mizrahi Bank (UMB) — Facia's main banker — in early 1997, the police raided homes and offices of former

UMB staff. UMB was owed \$8 million at the time of the collapse, but has since recovered its money. Facia's other creditors, however, are likely to receive less than 10p in the pound, and then only after another two or three years as the liquidation progresses.

The SFO is understood to have interviewed a number of Mr Hinchliffe's employees, associates and advisers, as well as other UMB clients, using its Section 2 powers to force cooperation and disclosure of documents. The investigations are still continuing.

Mr Hinchliffe's solicitor, Keith Oliver, of Peters and Peters, was unavailable for com-

ment yesterday but Mr Hinchliffe has consistently denied wrongdoing. Mr Harrison was unavailable.

Mr Hinchliffe faces a £35 million civil lawsuit from Price Waterhouse, the administrators of Facia's shoe shops, on behalf of Sears. On November 2, he and Mr Harrison are to face action in the High Court by the Department of Trade and Industry to disqualify them as directors.

Both are resisting the proceedings. Despite his difficulties, the Sheffield entrepreneur has remained unbowed. In February he bought Knydard, a 16,000-acre sporting estate in

the Scottish Highlands, overriding objections in court by Price Waterhouse, which has the share price in the market and eventually ended up holding 11.5 per cent of the shares.

Plainly, even now — almost two years after the share launch — the NAO still has serious concerns about the safety and decommissioning issues in a sensible and transparent way the share issue flopped. The temporary shutdown of two reactors cast a pall over the offering which meant BZW had to support the share price in the market.

In July last year, a High Court judge cleared Mr Hinchliffe of misconduct over the company's collapse. Sir Richard Scott, the Vice Chancellor, dismissed claims by Price Waterhouse, as administrators of Facia Footwear, for summary judgment to recover more than £10 million from Mr Hinchliffe and Mr Harrison. The judge rejected the idea that the men had been wrong to make loans from the footwear side to troubled parts of the group in 1996.

Notebook

The flotation that wasn't a safe bet



Alex Brummer

DESPITE the drumbeat of propaganda to the contrary at the time of the British Energy float in July 1996, the key to the success of the last big privatisation of the Conservative era was always going to be the nuclear safety issues. The Government, its lead global managers, BZW, and the company steadfastly maintained that privatisation of the nuclear industry was like any other and the company should be judged on earnings possibilities and the dividend bribe.

Now we know differently. The National Audit Office report on the British Energy float is a serious indictment of the way it was handled. First, the technical method used by BZW of selling 100 per cent at once was misconceived and may have cost the taxpayer tens of millions of pounds.

Secondly, the attempt to discredit the safety concerns raised by the Guardian in the run-up to the share issue was wrongheaded and did British Energy and the taxpayer a disservice. As a result of its failure to deal clearly with the safety and decommissioning issues in a sensible and transparent way the share issue flopped. The temporary shutdown of two reactors cast a pall over the offering which meant BZW had to support the share price in the market and eventually ended up holding 11.5 per cent of the shares.

Plainly, even now — almost two years after the share launch — the NAO still has serious concerns about the safety and decommissioning arrangements for British Energy, which it sensibly wants to see underpinned. As an assurance to the taxpayer that BE will abide by its responsibilities it wants the Government's golden share to be retained beyond 2006. It also wants five-yearly technical and financial appraisals of funding plans for decommissioning and other safety matters and close monitoring of the cash building up to meet future liabilities. All of these measures should be adopted immediately, whatever the impact on the company's income stream. The taxpayer has suffered enough from Tory privatisation blunders.

of Citizens Bank in New England. It goes without saying that RBS, like the other UK banks, continues to benefit from a retail banking operation which pays depositors a pittance but charges borrowers what the market will bear. Amidst the euphoria it is worth noting, however, that RBS has vulnerabilities. Citizens is at the top of its game, but credit risks could soar if there were to be a turn in US interest rates and the economy. Similarly, in Britain RBS has a tendency to like cyclical business such as property and shipping lending, both of which can have big down-sides however carefully the loans are arranged. Nevertheless, it is one of the few UK banks which has some genuine entrepreneurial instincts as its ventures with Direct Line, Tesco and Virgin demonstrate. The future might look even more rosy if it took the opportunity of the current high values in US banking and for direct insurance, to cash in on some of its better businesses.

BMW hubris

VERY quickly the smooth reputation which Bernd Pischetsreider of BMW has built as the smart deal-maker of the European motor industry is looking threadbare. In a single day he has seen the company's main German rivals, Daimler-Benz, secure a \$92 billion merger with the Chrysler Corporation, in which Daimler chief Jürgen Schrempp clearly comes out on top.

The deal offers both companies the opportunity for new penetration into each other's markets, even before the combination of production, parts, marques and platforms starts to yield critical global benefits. But even more remarkable is the way that BMW has been penetrated into each other's markets, even before the combination of production, parts, marques and platforms starts to yield critical global benefits. But even more remarkable is the way that BMW has been penetrated into each other's markets, even before the combination of production, parts, marques and platforms starts to yield critical global benefits.

It remained confident that its existing relationship on engine development with Rolls-Royce and the comfort of being an exclusive bidder would see it through — and that is how Sir Colin Chandler of Vickers saw it too as recently as the company's annual general meeting.

In the end money has triumphed. VW has come through with the extra £50 million of cash — valuing Rolls-Royce Motor Cars at £430 million — and Vickers had an offer it couldn't refuse. The engine co-operation which appeared to have driven it to BMW seemed relatively unimportant, with the possibility of a deal with other Vickers offshoots Coesworth.

It is not a process which any of the parties — save VW which forcefully pursued its target — can be proud of.

RBS adventures

THE stock market clearly liked the Royal Bank of Scotland's healthy 21 per cent profit increase, despite the large new £53 million provision against East Asia lending. The main factors driving the share price were the improving cost-income ratio, the better results from Direct Line (after recent setbacks) and the robust performance

News in brief

BCCI victims to get £1.1bn

Creditors of the Bank of Credit and Commerce International, which collapsed in 1991 with a £12 billion "black hole" in its accounts, are to receive a second dividend in June totalling about £1.1 billion. Worth 18.4p in the pound, it will bring the total paid to £2.9p in the pound.

Liquidators Deloitte & Touche said recoveries in the United States and cash from BCCI's former majority shareholder, the Abu Dhabi government, made the payment possible.

Norwich ups pay

Senior executives at Norwich Union, the former mutual insurer which floated on the stock market last summer, were given pay rises of up to 30 per cent last year. Chief executive Richard Harvey's remuneration rose from

£259,000 to £339,000 while finance director Michael Biggs received a 20 per cent increase to £263,000.

Brushed off
Britain's biggest PEP provider, M&G, shrugged off criticism for concentrating on stocks which have hit bad times. Announcing first half pre-tax profits of £38.1 million, against £33.2 million for the same period last year, group managing director Michael McIntock said performance was picking up.

Shell slips
Royal Dutch Shell yesterday became the latest oil company to take a hit from falling prices. The 27 per cent fall in the first quarter compared with last year was better than the market expected. Shares rose because analysts believe cost cutting and efficiency gains are improving performance.

TOURIST RATES — BANK SELLS			
Australia 2.55	Germany 2.8605	Malaysia 6.128	Singapore 2.64
Austria 26.02	Greece 500.68	Malta 0.63	South Africa 1.19
Belgium 36.87	Hong Kong 12.61	Netherlands 3.2072	Spain 241.46
Canada 2.33	India 56.11	New Zealand 2.98	Sweden 12.33
Cyprus 0.84	Ireland 1.1367	Norway 11.59	Switzerland 2.38
Denmark 16.86	Israel 6.13	Portugal 292.88	Turkey 284.99
Finland 8.77	Italy 2.840	Saudi Arabia 6.12	USA 1.6265
France 9.56			

Supplied by NatWest (excluding rupee, shekel and malawi)

Public may pay for nuclear clean-up

Ministers warned bill could run into billions, writes CELIA WESTON

TAXPAYERS could end up paying billions of pounds to subsidise a nuclear industry clean-up if the Government does not veto the future sale of any modern nuclear stations.

The unprecedented recommendation that ministers must keep overall control of the privatised industry calls into question the independence of British Energy, sold off two years ago. It comes in yesterday's National Audit Office report on the sale.

The public spending watchdog's report is also the second within weeks to criticise a City firm in connection with the flotation of former public assets. This time finance and broking house BZW's advice is questioned. In March, establishment stockbrokers Cazenove were heavily criticised by the NAO for failing to secure the best sell-off price for AEA Technology in 1996.

Yesterday's NAO report says British Energy — the holding company established to operate the eight most modern reactors in England and Scotland — might not be able to meet its £3.7 billion nuclear decommissioning liabilities if ministers do not ensure its income remains high by preventing the future sale of any assets.

The audit office says the Government should continue to exercise direct control over the industry and its plans by retaining its golden shares, which could otherwise be cashed in after 2006.

The Conservative-led Commons public accounts com-

mittee yesterday endorsed the audit office conclusions. Its Tory chairman David Davis MP said: "Clearly there will always be a risk that the taxpayer will have to meet some of the long-term costs of decommissioning."

He added: "There is no room for complacency... in an industry like this, therefore it is essential that the Department of Trade and Industry use the teeth they have been given. They must continuously monitor the position in order to protect the longer term interests of the taxpayer."

The NAO report says the arrangements made for British Energy to pay for decommissioning power stations and the safe management of nuclear materials, including radioactive waste — cannot remove the risk that future

governments may have to meet some of the costs.

The DTI should therefore consider "retaining the power over the disposal of nuclear plant provided by their special shares beyond the earliest date for redemption in 2006".

On the privatisation, the audit office concludes that BZW was wrong to advise the Government to sell the British Energy shares in one tranche.

A residual holding in the company — bought up by BZW when the share issue flopped on its first day of trading in July — was sold at a significant premium in December. This showed that if the company had been sold in stages, the taxpayer could have benefited by considerably more than the £1.26 billion raised.

Tide on turn for interest rates

Charlotte Demery

STERLING took a tumble on the foreign exchanges yesterday as the Bank of England kept interest rates on hold, raising hopes they may be on their way down.

City analysts said that after several months when the Bank's Monetary Policy Committee had been finely divided over whether to push up rates, the tide appeared to have turned in the direction of those opposed to increases.

The Confederation of British Industry welcomed the decision and said no further rate rises were necessary to meet the Government's inflation target of 2.5 per cent. Chief economic adviser Kate Barker said that while some sectors of the economy, such as business services, were still expanding robustly, the plight of many exporters was set to put the brakes on the economy through 1998.

The pound lost three pence on the news that the committee had voted to leave rates at 7.25 per cent, at one point falling to a five-month low of DM2.90. Dealers said that apart from expectation of lower interest rates, the pound was losing its status as a haven from uncertainties over the start of monetary union, now the 11 starter members had been chosen.

Jeremy Batstone at NatWest Stockbrokers said the Bank was unlikely to start cutting rates immediately because "there is evidence of some residual inflationary pressure". Sales bounced back in April after a sharp decline the previous month, according to CBI figures yesterday, though Ms Barker said there were signs that retail demand growth was declining.

Demon takes angel's wings

Jack Schofield on millionaire who aims to help firms with bright ideas

A FORMER demon has started a new life as an angel. Cliff Stanford — who made £33 million from the sale of his previous company, Demon Internet, to Scottish Telecom — wants to devote almost half of his new wealth to helping innovative British companies on the road to success.

In 1992 Demon Internet was the first company to take Internet use to the mass market in the UK, charging users £10 a month plus VAT. The once tiny start-up company now employs more than 500 people and is still growing fast. However, Mr Stanford is getting out now that the telecommunications heavyweights have moved in.

Mr Stanford's new vehicle is called Redbus Investments, because, he says, "I always wanted to drive a red bus." The 43-year-old former accountant wants to invest £15 million and management time in small British companies with bright ideas. He is neither a venture capitalist nor a company doctor, but thinks he can help firms bridge the gap between start-up and the time they are established enough to appeal to venture capitalists and banks.

Ideas do not have to be hi-tech or Internet-related. "I learned relatively little about the Internet over the past five years, but quite a lot about running a business," he said.

"Now that I've got time on my hands" — he has been out of work for almost a week — "I'm looking for people with good ideas. I'm not looking for a high return. I'm looking for solid businesses that have somewhere to go."

So, if you're the sort of person who is willing to get "on yer bike", you might just get a ride on Mr Stanford's bus.

In return, Redbus Investments will get an equity stake and the chance to build "a well-known brand". He foresees having a range of companies using the Redbus name. There will not be any Redbus buses, however — "transport is the least likely possibility" — but there might be a Redbus Cola.

Does that mean Mr Stanford is trying to be the next Richard Branson? "I wouldn't really say I was copying anyone — 'I'm really a virgin in such matters,'" he said.



On the bus... Cliff Stanford

